The Gatt agreement

How the deal was hammered out · *A new structure for world trade* · *How disputes can be settled*

Pages 4-7

Northern Ireland

Can Major and Reynolds deliver?

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Safety at sea

Using technology to prevent disaster

Page 12

FINANCIAL TIMES

Europe's Business Newspaper THURSDAY DECEMBER 16 1993 D8523A

Britain approves Thorp nuclear reprocessing plant

The UK government gave the go-ahead to the Thorp nuclear reprocessing plant at Sellafield, Cumbria, ending nearly a year of controversy. Environment secretary John Gummer told parliament "there is a sufficient balance of advantage in favour of the operation of Thorp".

The government rejected a public inquiry, but told British Nuclear Fuels, the plant's owner, it would have to report each year on plans for further reductions in radioactive emissions. The decision faces a final threat of judicial review from environmental group Greenpeace. Page 8

Yeltsin attacks Ukraine: Russian President Boris Yeltsin condemned Ukraine's stalling on nuclear disarmament as "evil" in remarks that may signal a tougher Russian foreign policy after ultra-nationalist election gains. Page 16

Eastman Kodak shares tumbled 10 per cent after George Fisher, recently-appointed chairman and chief executive of the US photographic group, warned profits next year would fall far short of stock-market expectations. Page 17

China hits at UK over Hong Kong

China appealed directly to Hong Kong residents for support after accusing Britain of destroying co-operation over the colony. Beijing's statement came after governor Chris Patten (left) presented Hong Kong's legislative council with his partial reform bill, aimed at widening the electoral franchise. China's statement urged Hong Kong residents to support the work of its own committee, set up this year to advise on arrangements for the 1997 end of British sovereignty. Page 16

Surge in US output: The biggest increase in US industrial production for a year has added spice to a vigorous debate about the desirability of an early increase in US interest rates. Page 3

Czech compensation: Air France and the European Bank for Reconstruction and Development are demanding CzK700m ($24m) compensation from CSA, the Czech national airline, after claiming they paid too much for large minority holdings in the airline. Page 17

Steel aid declaration: European Union industry ministers will be asked to renounce further government aid for their state-owned steelmakers at a crucial meeting tomorrow on restructuring the EU steel industry. Page 2

Daimler-Benz is planning a 10-city marketing roadshow in the US early next year to promote the planned public offering in New York of 3.2 per cent of the group's stock currently owned by Deutsche Bank. **Page 17; Union deal keeps mini for Germany; Page 17**

Nissan UK faces strict controls: Strict controls have been placed on the conduct of business by Nissan UK, the troubled former importer/distributor of Nissan cars in Britain, under a High Court order agreed in London. Page 9

Mideast compromise hope: Palestine Liberation Organisation chairman, Yassir Arafat, appeared to be preparing the way for a compromise with Israel in the deadlock over September's outline peace accord. Page 3

French win gene map race: French scientists have won an international race to produce the first comprehensive "map" of the genes in human cells. The "physical map of the human genome" was unveiled by the Centre d'Etude du Polymorphisme Humain. Page 16

European car sales fall: New car sales in west Europe fell for the 11th month in a row in November, declining 9.5 per cent, and the outlook remains depressed for next year. Page 2

Private capital increase: Private-sector capital is replacing government finance for middle-income developing countries, but the poorest countries have not benefited, says the World Bank. Page 3

Malaysia Airlines sell-off: The Malaysian government is selling a 32 per cent stake in national carrier Malaysia Airlines (MAS) in a M$1.79bn (US$700m) deal. Page 19

N'eau de champagne: The French champagne industry won its legal battle to ban Yves Saint-Laurent, the French fashion house, from using the name Champagne for its latest women's perfume in France. Page 17

Seven years' dealing bear fruit in history's most ambitious trade liberalisation

Gatt accord wins approval

By Lionel Barber in Brussels and Our Foreign Staff

Delegations from 117 countries approved by consensus yesterday a world trade treaty aimed at opening international markets, the most ambitious trade liberalisation package in history.

The signal that seven years of tough negotiations had been brought to a successful finale came when Mr Peter Sutherland, chief of the General Agreement on Tariffs and Trade, declared: "I gavel the Uruguay Round concluded."

Diplomats and and government representatives in the hall at Geneva's International Conference Centre came to their feet, cheered and applauded. Gatt officials broke open bottles of champagne.

Mr Sutherland told trade diplomats meeting for the last session of the round that the accord was "a momentous and historic achievement" which would mean "more trade, more investment, more jobs and larger income growth for all".

Formal agreement in Geneva came after European Union foreign ministers in Brussels removed the final hurdle by approving the accord. In Paris, France's National Assembly last night overwhelmingly endorsed Prime Minister Edouard Balladur's handling of negotiations.

President Bill Clinton hailed the accord as a pact that "does meet the test of a good agreement" even though it was not all the US wanted.

The Gatt negotiators were working under heavy pressure because the US Congress had set a deadline of midnight (5am GMT) for notification. Had that deadline been missed, the Congress had threatened to introduce any number of amendments to the agreement, possibly wrecking it.

- **How deal was done** Page 4
- **Foreign policy albatross turns into an eagle** Page 6
- **Trade round like this may never be seen again** Page 7
- **Editorial Comment** Page 15

EU foreign ministers, approving the deal, partly met French demands for strengthened trade defence mechanisms. They also agreed to satisfy Portuguese insistence on aid to modernise its textiles industry. An Ecu900m ($1.026bn) package, including Ecu400m drawn from the existing structural funds budget, is to be made available.

Under the deal, it will be easier for the European Union to act against dumping and subsidised trade and to invoke "safeguard" measures against sudden surges of cheap imports from countries with which it has preferential trading agreements.

In the interests of an overall Gatt deal, Germany dropped its longstanding objections to a tougher EU trade arsenal.

The Geneva agreement to set up a Multilateral World Trade Organisation to succeed the Gatt and police the use of trade instruments by all signatories made it easier for Bonn to concede the principle.

From now on, the Commission's preliminary decisions to use anti-dumping or anti-subsidies will be made definitive by a simple majority vote.

Previously, Commission action could be blocked by a minority of free-trade-leaning countries led by the UK and Germany.

Also, a qualified majority will be required to block Commission use of safeguard measures against imports from countries with which the EU has preferential arrangements.

Blocking minorities will, however, still be required to invoke safeguard measures against countries with non-preferential arrangements and in the areas of textiles.

Foreign ministers warned the US that unless Washington places its 301 trade arsenal under MWTO rules, the EU reserves the right to reconsider the matter. But British officials said blocking minority rules remained intact, to prevent the creation of a Euro-301.Sir Leon Brittan, chief EU trade negotiator, said the EU had to be ready and able to take action to defend itself "even in a new world trade order".

The Gatt deal, Pages 4-7; Samuel Brittan, Page 18; Editorial Comment, Page 19; Observer, Page 19; Doing good despite themselves, Page 19

Brussels to insist on single market

By Andrew Hill in Brussels

The European Commission yesterday promised "decisive action" to force members of the European Union to implement all legislation on the barrier-free single European market by the end of next year.

The Commission also launched a strategic programme of evaluation, consultation and legislation designed to maintain the momentum of the original 1985 internal market project.

Mr Raniero Vanni d'Archirafi, internal market commissioner, said: "It's no longer a 'softly softly' approach; there's balance, but there will be very decisive and very severe action [to enforce] the application at national level of this legislation."

When they meet in Brussels today for their last meeting of the year, internal market ministers will be told they face European Court action if laws are not implemented. Under new Maastricht treaty powers, the Commission can also recommend fines for such infringements.

Mr Vanni d'Archirafi said the Commission was prepared to press ahead next year with legislation aimed at ending all controls at internal frontiers. Britain, Denmark and Ireland have maintained certain passport controls at borders with other EU countries, while the other nine EU members have pledged to end all checks on February 1, next year.

The strategic programme sets as a priority the implementation and adoption of legislation already proposed for the single market. But it also lays out a legislative and regulatory programme for the next two to three years, and seeks to counter criticism from some industry and consumer lobbies that the single market has not gone far enough.

The Commission promises full consultation on new measures, which will include proposals to ease the administrative burden on small companies, introduce a definitive VAT system and encourage private investment in trans-European infrastructure projects.

Worth keeping in the glove box, Page 2

■ IRA's opportunity to enter political process ■ Paisley condemns 'treachery'

UK and Ireland launch outline plan for peace

By Philip Stephens, Political Editor, in London

The boldest Anglo-Irish political initiative during 25 years of violence in Northern Ireland was launched yesterday with a plea to the Irish Republican Army to grasp the opportunity for peace.

But applause for the declaration from across the political spectrum was matched by an initial "disappointment" from Sinn Féin, the IRA's political wing, and violent condemnation from hard-line unionists.

In a joint statement establishing the framework for a permanent political settlement, UK prime minister John Major and Mr Albert Reynolds, the Irish prime minister, heralded a historic opportunity for "a new beginning" in the province.

They pledged to accelerate the all-party talks designed to restore devolved government to Northern Ireland province and to intensify co-operation between it and the Irish government.

Mr Major invited Sinn Féin to join the talks process within three months of an end to violence. Speaking at a joint press conference with Mr Reynolds he said the declaration "closes no doors except the door to violence and illegality. And crucially it opens the door to those who abandon violence."

PAGE 10

- **Full text of the peace declaration**
- **Troubled history of two islands**
- **Editorial Comment** Page 15

Speaking directly to the IRA, Mr Reynolds added: "This offers you an historic opportunity to come into the political process". He said Dublin would establish an all-Ireland forum to which Sinn Fein would be invited after a cessation of terrorism.

Aides of both leaders were privately voicing hopes that the IRA's traditional Christmas ceasefire, due to start within the next few days, could turn into a permanent cessation of violence. But Mr Major and Mr Reynolds admitted that while they hoped for peace, the initiative now lay with the IRA.

The declaration, entrenching the unionist veto over constitutional change in Northern Ireland but balancing it with explicit recognition of the possibility of a united Ireland, won grudging acquiescence from the Ulster Unionists. Mr James Molyneaux, Ulster Unionist leader, asked a series of pointed questions about the statement but refrained from any open criticism. His colleague Mr David Trimble suggested the party was ready for the time being to suspend judgement.

The initiative was praised by Mr John Hume, the leader of the mostly Catholic SDLP. But Ian Paisley, the leader of the hard-line Democratic Unionists, condemned the agreement as a "sell-out" to the IRA and an "act of treachery" by Mr Major.

In its first reaction, a leading member of Sinn Féin said there was general "disappointment" among nationalists. But Mr Mitchel McLaughlin, the party chairman, said it would be studying the joint declaration in depth.

In an attempt to maintain the support of the Ulster Unionists, the prime minister insisted repeatedly that the province's status would be changed only with the consent of a majority of its citizens.

Continued on Page 16

Trevor Humphries

John Major (left) and Irish prime minister Albert Reynolds sign the historic Anglo-Irish declaration

Metallgesellschaft board to grill chief on liquidity gap

By David Waller in Frankfurt

Mr Heinz Schimmelbusch, chief executive at the troubled Metallgesellschaft metals, mining and industrial group, faces increasing pressure from the Frankfurt-based group's supervisory board, meeting specially convened for tomorrow.

It is understood that the meeting will examine preliminary results of intensive investigations by Deutsche Bank and Dresdner Bank, leading shareholders in the company as well as creditors, into Metallgesellschaft's liquidity. The meeting is also likely to consider management responsibility for what appear to be increasing difficulties.

The investigations were launched at the beginning of last week after Deutsche and Dresdner granted Metallgesellschaft special credit facilities to meet what were then described as temporary liquidity shortages arising from the activities of MG Corp, the group's US trading subsidiary, in US commodities futures markets. The extent of the liquidity support has not been disclosed, but Frankfurt sources suggest that it may have been as high as DM2bn ($1.2bn).

News of the special credit facilities prompted a fall in the share price throughout last week in spite of a public declaration of support for Metallgesellschaft from Mr Hilmar Kopper, Deutsche Bank's chief executive.

The shares, up DM4.9 to DM305.20 yesterday, have fallen by 28 per cent since the beginning of last week and the group is now capitalised at DM2.7bn.

Mr Kopper said on Tuesday last week that Metallgesellschaft's liquidity shortages arose for technical reasons and were not "life-threatening". However, it is understood that since that statement, the banks have reassessed the seriousness of the group's difficulties in the light of new information. The banks are believed to be prepared to carry on supporting Metallgesellschaft.

Mr Schimmelbusch, 49, an Austrian who has been head of the company since 1988, was voted German manager of the year in 1991, when his aggressive, acquisitive management style marked him apart from older, more staid German chief executives.

Since then, though, the group has suffered badly from an influx of cheap metals from the eastern bloc and the severity of the German recession. In the year to the end of September the group lost DM347m ($205m) on turnover stagnant at DM25.5bn.

The immediate cause of the group's present plight was said last week to be margin calls – cash pay-outs – on oils future contracts taken out by MG Corp on the New York Mercantile Exchange, triggered by the sharp fall in oil prices in recent month. Metallgesellschaft has insisted that it was not engaged in speculative futures trading and that the futures contracts were taken out to hedge contracts to supply physical stocks of oil.

However, analysts say that many questions remain unanswered and point to the enormous risks associated with such trading activities, not least that customers will renege on contracts to buy oil at high prices, leaving the group facing a massive potential liability.

■ STOCK MARKET INDICES

FT-SE 100	3,278.8	(+30.4)
yield	3.6	
FT-SE Eurotrack 100	1,405.40	(-3.24)
FT-A All-Share	1,612.46	(+0.8%)
Nikkei	17,489.15	(+180.42)
New York: lunchtime		
Dow Jones Ind Ave	3,735.37	(-7.26)
S&P Composite	463.44	(+0.33)

■ US LUNCHTIME RATES

Federal Funds	3[illegible]%
3-mo Treas Bills. Yld	3.085%
Long Bond	99[illegible]
Yield	6.27%

■ LONDON MONEY

3-mo Interbank	5[illegible]%	(5[illegible]%)
Liffe long gilt future	Dec 119[illegible]	(Dec 119[illegible])

■ NORTH SEA OIL (Argus)

Brent 15-day (Feb)	$13.79	(13.95)

■ Gold

New York Comex (Dec)	$387.4	(387)
London	$385	(387)

■ STERLING

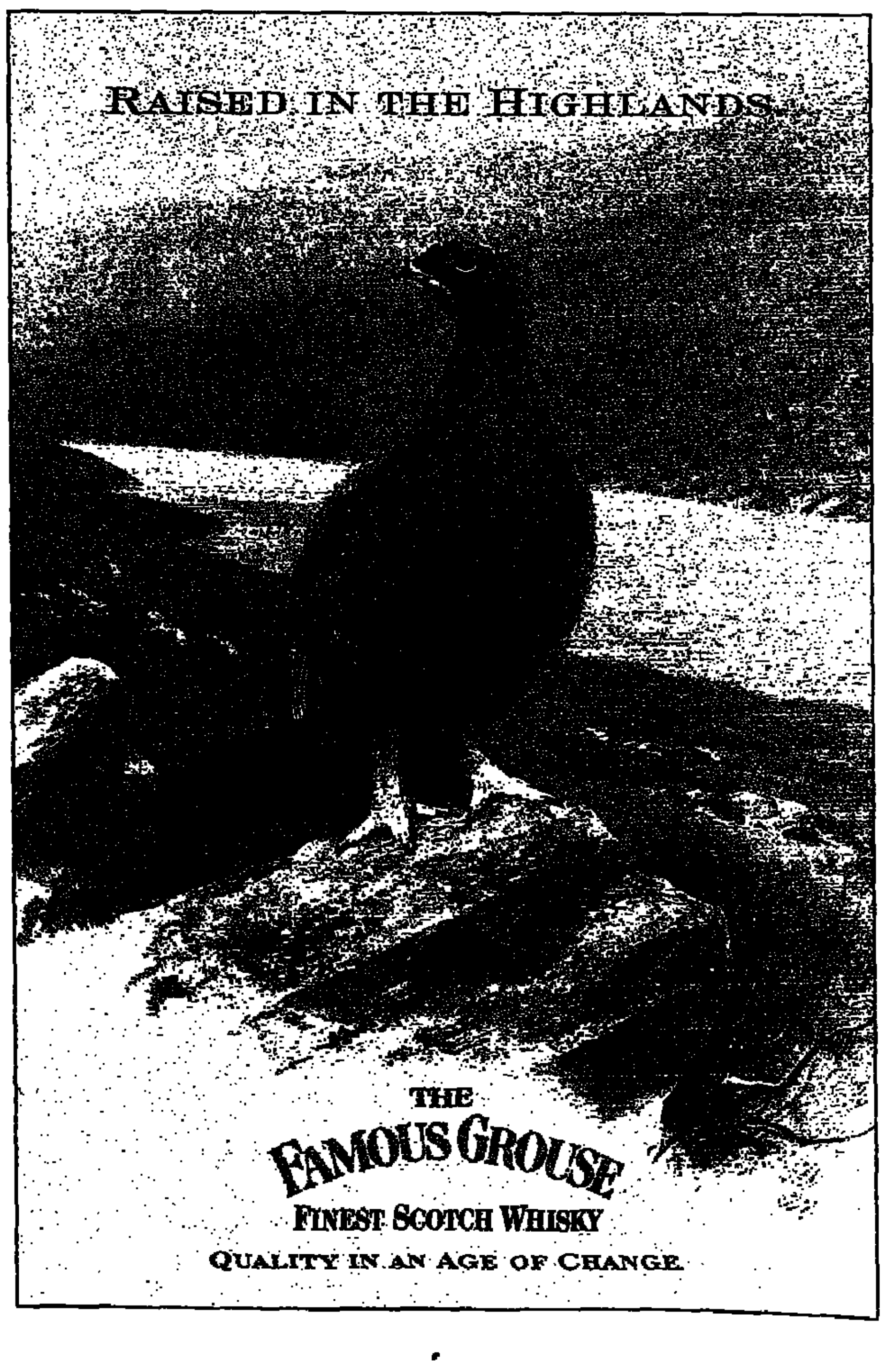
New York lunchtime		
$	1.48	
London		
$	1.4835	(1.4885)
DM	2.545	(2.55)
FFr	8.6975	(8.7275)
SFr	2.175	(2.1825)
Y	162.75	(same)
£ Index	81.5	(81.7)

■ DOLLAR

New York lunchtime		
DM	1.718	
FFr	5.86775	
SFr	1.46875	
Y	109.785	
London:		
DM	1.716	(1.7135)
FFr	5.8625	(same)
SFr	1.4655	(same)
Y	109.65	(109.35)
$ Index	67.1	(67.0)

Tokyo close Y 109.3

Austria	Sch30	Greece	Dr300	Lux	LFr65	Qatar	QR12.00
Bahrain	Din1.250	Hong Kong	HK$13	Malta	Lm0.60	S.Arabia	SR11
Belgium	BFr65	Hungary	Ft185	Morocco	MDh13	Singapore	S$4.10
Bulgaria	Lv25.00	Iceland	IKr215	Neth	Fl 3.75	Slovak Rp	KSL45
Cyprus	C£1.00	India	Rs40	Nigeria	Naira45	South Africa	R12.00
Czech Rp	CZK45	Israel	Shk5.50	Norway	NKr16.00	Spain	Pta210
Denmark	DKr15	Italy	L2700	Oman	OR1.50	Sweden	SKr15
Egypt	E£4.50	Japan	Y500	Pakistan	Rs35	Switz	SFr3.20
Finland	FM12	Jordan	JD1.50	Philippines	Pso45	Syria	S£50.00
France	FFr9.00	Kuwait	Fils600	Poland	Zl 22,000	Tunisia	Din1.250
Germany	DM3.20	Lebanon	US$1.25	Portugal	Esc215	Turkey	L9000
						UAE	Dh11.00



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Germany calls for tougher N-proliferation curbs

By Quentin Peel in Bonn

Germany yesterday unveiled a 10-point plan to strengthen the policing and control of the spread of nuclear, chemical and biological weapons.

Mr Klaus Kinkel, German foreign minister, called for tougher international export controls and closer co-operation between potential suppliers of technology for weapons of mass destruction.

He proposed an international conference to agree verification measures to prevent the spread of biological weapons. j He also urged creation of an international plutonium control system, and a register of nuclear weapons to be held by the United Nations.

The initiative on non-proliferation comes at a time when concern over the possible spread of nuclear weapons has been heightened both by the refusal of North Korea to allow international inspections of its suspected nuclear capacity, and by the success of right- and left-wing extremists in the latest Russian elections.

Mr Kinkel warned that developments in Ukraine raised the fear that a new de facto nuclear power might be created in Europe. His words came just a day after opposition politicians in neighbouring Belarus suggested that they too should refuse to return nuclear weapons to neighbouring Russia, in the light of the election results.

At the same time, Germany's initiative amounts to a firm restatement of the government's belief that non-proliferation should be under political control, rather than becoming a military response to a perceived threat. In particular, Mr Kinkel has not responded to US pressure for European support for more "counter-proliferation" measures.

The 10-point plan says the UN has agreed in principle that nuclear proliferation is a threat to international peace and security. But it states that any use of military measures to prevent the spread of nuclear arms should be seen as a last resort, and should be specifically legitimised by the UN Security Council.

The Kinkel plan, which will now be promoted by Germany with its partner states in Nato, the European Union, Western European Union, CSCE and the UN, calls for the unlimited and unconditional extension of the Nuclear Non-proliferation treaty beyond 1995.

It suggests that the CSCE should be reinforced as an instrument to control regional proliferation, and that the CSCE model should be imitated in other regions.

Members of a US congressional delegation to Pakistan yesterday defended legislation blocking economic and military aid for three years, and said fears of an "Islamic bomb" had added to Washington's concerns over nuclear proliferation. writes Farhan Bokhari in Islamabad. "I think there's going to be a major effort in the armed services committee and the foreign relations committee to deal with this problem of non-proliferation," said Senator Larry Pressler of South Dakota, who sponsored an amendment leading to the suspension of aid to Pakistan because of fears Islamabad had acquired the capability to produce nuclear weapons.

Pentagon orders 40 transport aircraft

The Pentagon announced yesterday it would buy 40 C-17 long-distance transport aircraft but warned McDonnell Douglas, the manufacturer, that unless design flaws and cost overruns already amounting to $1.5bn were remedied it would not go ahead with a planned order for an additional 80, writes **Jurek Martin in Washington.**

Promising "not to be held hostage" to the C-17, Mr Les Aspin, defence secretary, announced a settlement with McDonnell Douglas under which it agreed to drop $1.2bn in outstanding claims. If the military is still dissatisfied with the C-17, it will consider adapting wide-bodied commercial jets or reviving the C-5 production line.

Japan extends parliament

Japan's coalition government yesterday pushed through a 45-day extension to the current session of parliament, giving Prime Minister Morihiro Hosokawa extra time to keep his promise of reforming the scandal-stained political system before the year's end, writes **Robert Thomson in Tokyo.**

The opposition Liberal Democratic party boycotted the parliamentary sitting, but four members of the party in favour of political reform disobeyed a party directive to stay away and sat in the otherwise empty opposition benches. The extension was approved with less than an hour remaining of the parliamentary session.

Australia ponders jobs guarantee

An Australian government advisory group has proposed job guarantees of six to nine months for those who have been unemployed for more than 18 months, writes **Emilia Tagaza in Melbourne.**

The programme would cost up to A$1.4bn (£628m) a year and recommends a "jobs levy", a short-term tax on employed Australians to fund job-creating projects. Anticipating wide opposition to the levy, the task force said the alternatives would be to expand the budget deficit (expected to reach A$18bn this year), or further to cut public spending.

Extremists kill 12 in Algeria

Members of a radical Islamic group have stabbed to death 12 Bosnian and Croatian technicians in Tamezguida, the town of Blida, south of Algiers, writes **Francis Ghilès.**

The security services said the dead were engineers for the Hydro-Electra company which is involved in building dams and pumping stations, part of the water master plan for the region of Algiers.

Aramco bids for Philippine group

Aramco, the Saudi Arabian oil company, yesterday submitted a bid of $502m (£336m) for 40 per cent of Petron Corporation, the Philippines' largest oil refining and marketing company owned by the state Philippine National Oil Company (PNOC), writes **Jose Galang in Manila.** The bid represents the largest bid for a government asset under the country's seven-year-old privatisation programme.

Croats release 500 Moslems

Bosnian Croats yesterday freed over 500 more Moslem prisoners of war, pressing ahead with a promised unilateral release of some 4,300 before Christmas, Reuter reports from Zagreb. There was no sign that the Moslem-led government army and rebel Serbs would reciprocate by freeing their detainees. The International Committee of the Red Cross said it was negotiating with both.

Firm political declaration ending subsidies will be sought

Call to scrap more EU steel aid

By Andrew Hill in Brussels, Andrew Baxter in London and Ariane Genillard in Bonn

European Union industry ministers will be asked to renounce further government subsidies for their state-owned steelmakers at tomorrow's crucial meeting on restructuring of the EU steel industry.

A firm political declaration putting an end to state aid will be the condition for other member states to approve subsidy plans submitted by the east German, Spanish, Italian and Portuguese governments.

"[It will say] that if this package doesn't work then there will be no second helping for the companies concerned," one British official said.

National and Commission officials believe such a declaration will not pose problems, although it would not necessarily be legally binding. The main difficulty will be forging unanimous agreement on the detail of controversial restructuring plans, particularly for Ekostahl, the east German producer, and Ilva, the Italian steelmaker.

Commission officials are concerned that if a deal is not struck tomorrow, private steelmakers will not make the necessary production cuts to allow an overall restructuring of the west European steel industry to take place. It is now more than a year since the steel industry called for EU measures to relieve overcapacity, a slump in demand and competition from cheap non-EU imports.

The British, French and west German steel industries this week stepped up the pressure on their governments to resist an unsatisfactory compromise on state subsidies. Under the plans tabled for tomorrow's meeting, approval of Ecu6.8bn (£5.18bn) of subsidies to publicly-owned steelmakers would be offset by an overall reduction in capacity of 5.5m tonnes.

Mr Heinz Kriwet, chief executive of Thyssen, Germany's largest steel group, said yesterday the German government would be paying "an extremely high price" if it agreed huge subsidies for other manufacturers, in order to win approval for the Ekostahl plan.

Writing in the Frankfurter Allgemeine Zeitung newspaper, he warned that Germany could not afford a private steel industry when "politicians in the German federal states, in Bonn and Brussels do not want it or are not able to introduce fair competition".

The British steel industry is particularly unhappy about the Ekostahl restructuring, because it could involve both operating subsidies and subsidies for new capacity. Britain is likely to insist in Friday's meeting that guarantees are written into any accord strictly limiting the capacity increase.

British industry sources have also criticised last Friday's deal between the Commission and the Italian government on the privatisation of Ilva, which they say is worse than earlier plans submitted by the Commission. But UK officials said yesterday that the Ilva plan was "on the right lines".

UK the November exception in steepest post-war decline

W European new car sales fall by 9½%

By Kevin Done, Motor Industry Correspondent

New car sales in west Europe fell by 9.5 per cent in November to 875,000 from 966,000 a year ago, the 11th monthly decline in succession.

According to industry estimates new car sales in the first 11 months of the year fell by 14.7 per cent to 10.7m, the steepest decline in the post-war period. Around 1.8m fewer new cars have been sold in west Europe in the 11 months compared to the corresponding period a year ago.

The steep decline in sales has plunged much of the industry into loss, as carmakers have been forced to take drastic action to reduce production and cut jobs.

The outlook remains depressed for next year, and sales are forecast to stage only a weak recovery.

According to the French automobile makers' association, new car sales next year in west Europe will rise by only 0.8 per cent to 11.5m from 11.4m in 1993.

New car sales in November were lower than a year ago in 11 of 17 markets across west Europe, with demand growing only in the UK, Scandinavia and Switzerland.

In the first 11 months of the year sales were lower than a year ago in 15 of 17 markets across west Europe, with demand growing only in the UK, and marginally in Norway.

There were signs last month of the recession easing in some of the large volume markets, however, and demand in the UK is continuing to grow strongly.

New car sales in Germany fell by an estimated 17.1 per cent in November compared with the decline of 18.3 per cent in the first 11 months.

In Italy sales fell by only 7.8 per cent in November compared with a decline of 21.1 per cent in the first 11 months of the year, while in Spain a decline of 17.1 per cent in November compared with a drop of 24.5 per cent in the first 11 months.

The pace of decline in France slowed to a drop of 11.7 per cent year-on-year in November from the decline of 16.7 per cent in the first 11 months.

The UK remains the only significant market in west Europe where new car sales are rising – albeit from a depressed level – with an increase year-on-year of 19.4 per cent in November and of 12.6 per cent in the first 11 months.

The rate of decline in new car demand across west Europe is expected to accelerate again this month. Demand a year ago was boosted artificially by a series of special factors, which pulled sales ahead from January.

Many carmakers were forced to register cars not equipped with catalytic converters ahead of changes in legislation, while sales were also boosted ahead of tax increases in several countries.

WEST EUROPEAN NEW CAR REGISTRATIONS
January-November 1993

	Volume (Units)	Volume Change(%)	Share (%) Jan-Nov 93	Share (%) Jan-Nov 92
TOTAL MARKET	10,686,000	-14.7	100.0	100.0
MANUFACTURERS:				
Volkswagen group	1,745,000	-20.1	16.3	17.4
– Volkswagen	1,154,000	-20.5	10.8	11.6
– Audi	298,000	-23.2	2.8	3.1
– Seat	246,000	-18.4	2.3	2.4
– Skoda*	48,000	+5.2	0.4	0.4
General Motors#	1,387,000	-10.9	13.0	12.4
– Opel/Vauxhall	1,334,000	-10.5	12.5	11.9
– Saab**	38,000	-20.0	0.4	0.4
PSA Peugeot Citroen	1,303,000	-14.1	12.2	12.1
– Peugeot	788,000	-14.6	7.4	7.4
– Citroen	516,000	-13.3	4.8	4.8
Ford#	1,242,000	-13.1	11.6	11.4
– Ford Europe	1,231,000	-13.1	11.5	11.3
– Jaguar	10,000	-1.1	0.1	0.1
Fiat group##	1,191,000	-20.2	11.1	11.9
– Fiat	894,000	-19.5	8.4	8.9
– Lancia	168,000	-22.0	1.6	1.7
– Alfa Romeo	117,000	-24.3	1.1	1.2
Renault ††	1,122,000	-15.5	10.5	10.6
Nissan	375,000	-7.2	3.5	3.2
BMW	345,000	-16.7	3.2	3.3
Rover†	334,000	+12.0	3.1	2.4
Mercedes-Benz	325,000	-14.5	3.0	3.0
Toyota	299,000	-5.2	2.8	2.5
Mazda	185,000	-26.7	1.7	2.0
Volvo ††	158,000	-15.3	1.5	1.5
Honda†	151,000	-8.8	1.4	1.3
Mitsubishi	133,000	-12.7	1.2	1.2
Total Japanese	1,312,000	-11.7	12.3	11.9
MARKETS:				
Germany	2,972,000	-18.3	27.8	29.0
Italy	1,757,000	-21.1	16.4	17.8
United Kingdom	1,705,000	+12.6	15.9	12.1
France	1,570,000	-16.7	14.7	15.1
Spain	675,000	-24.5	6.3	7.1

*VW holds 31 per cent and management control of Skoda.
#Includes cars imported from US and sold in western Europe.
**GM holds 50 per cent and management control of Saab Automobile.
††Renault and Volvo are linked through minority cross-shareholdings.
Fiat group includes Lancia, Alfa Romeo, Innocenti, Ferrari and Maserati.
†Honda holds a 20 per cent stake in Rover vehicle operations.

Source : Industry estimates

France's President François Mitterrand and Prime Minister Edouard Balladur cross Marigny street in Paris for the weekly cabinet meeting yesterday Associated Press

French industry output increases

By John Ridding in Paris

French industrial production increased in November and should rise further in the next few months, according to a survey of company chairmen by the Bank of France which was published yesterday.

The survey supports the government's claims that the economy has stabilised after a sharp downturn at the end of last year and during the first quarter of this year. But it also reflected economists' forecasts of a slow and fragile rise from recession.

Mr Edmond Alphandéry, economy minister, yesterday told the National Assembly the government's forecast of 1.4 per cent growth in GDP next year was "a reasonable estimate".

Recovery would be at "a slow rhythm". But he pointed to some encouraging signs, including the Bank of France survey.

The survey showed rises in production in the farm and food sectors, the car industry and intermediate goods industries. In the consumer goods sector, companies reported a stabilisation in output.

The survey showed strong demand for exports, especially to south-east Asia, the US and Latin America. Order books increased during the month.

"Despite persistent uncertainties, most business chiefs expect growth in activity for the coming months and say they are ready to revise upwards their investment," the Bank of France said.

There were, however, some pessimistic elements in the survey. Employment in industry continued to fall in November, adding to the 3.2m jobless total recorded at the end of October.

European alliance sought for Eni

By Robert Graham in Rome and John Ridding in Paris

The Italian government yesterday said it was seeking a European cross-border alliance for Eni, the state oil concern, which is due to be privatised by 1995.

The announcement came during the presentation by Mr Paolo Savona, the industry minister, of a policy document on industrial priorities.

The document says Eni's oil and gas interests need to acquire a bigger world presence, and then says: "To achieve this, the government backs conversations in progress to find a European alliance which goes beyond existing exploration and production agreements and deals with R%D strategies, productive ventures leading if possible to share swaps."

Eni is the world's eighth largest oil group with sales of L50,000bn (£2.8bn).

For the past two weeks rumours have been circulating of talks on a share-swap between Eni's main operating arm, Agip, and France's state-controlled Elf-Aquitaine. This followed the annual Franco-Italian summit on November 26 in Rome.

Until now both Eni and Elf have declined to comment. Yesterday Mr Savona said coyly: "Conversations are going on with several prospective partners, some bigger some smaller."

Eni is in the process of reorganising its energy holdings round a new company to be called Super-Agip as a preliminary to privatisation by 1995. Rothschilds were recently brought in as advisers to Eni on the floatation and are in the process of valuing the state holding.

Elf-Aquitaine is in the process of discussing share participations with potential investors before its privatisation.

Elf, France's largest industrial group, is due to be privatised early next year. It is seeking to find investors to form a hard core of long-term stable investors to replace the state's 50.8 per cent holding. Industry observers in Paris said Agip is a possible member of the hard core, or a potential investor on a smaller scale, pointing out that the French and Italian groups already co-operate in a series of projects.

Italian industry has already demonstrated its interest in France's privatisation programme.

Andreotti interrogated over Mafia

Mr Giulio Andreotti, the former Christian Democrat prime minister, has been interrogated for 12 hours by Palermo magistrates about his alleged links with the Mafia, writes **Robert Graham in Rome.**

Media leaks have suggested Palermo magistrates had been able to corroborate evidence from Mr Balduccio Di Maggio, a former member of Cosa Nostra, the umbrella organisation of the Sicilian Mafia.

Mr Andreotti was first warned in April he was under investigation for alleged links with the Mafia. In previous interrogations, he denied all contacts.

Magistrates have uncovered evidence of Mr Andreotti meeting two Mafia figures, the Salvo cousins, linked to Mr Salvo Lima, his chief political representative in Sicily, murdered in 1992. Mr Andreotti has denied knowing the cousins.

Meeting today on Polish debt

By Anthony Robinson and Christopher Bobinski in Warsaw

Poland's chief debt negotiator, Mr Krzysztof Krowacki, will give the first sign of Polish willingness to compromise on its long-standing demand for a 50 per cent reduction in its $13bn debt to foreign commercial banks when he meets negotiators from the London Club of creditor banks in Frankfurt today.

He will present Warsaw's response to last week's revised package which marked an improvement on the overall 28 per cent debt reduction package offered by the banks in July. Mr Krowacki described the revised London Club offer as "a step in the right direction" but added: "The situation remains very difficult and the two sides remain far apart."

Poland's response to the revised offer was "part of an on-going process, it is not a question of sign or reject," he said. "We still want the banks to offer us a deal which is within our balance of payments possibilities, bearing in mind current budgetary restraints and the repayment schedule to official creditors laid out by the April 1991 agreement with the Paris Club." This sanctioned a two-stage, 50 per cent reduction of Poland's $33bn official debt but imposed a repayment burden which will peak towards the end of the century.

To date, the only movement on the Polish debt negotiations has come from the 300 commercial banks represented by the London Club, chaired by Mr Ernst Moritz Lipp of Dresdner bank. The German banks hold 30 per cent of the Polish bank debt, but US investment banks are big holders of debt bought on the secondary market.

● Polish Foreign Minister Andrzej Olechowski yesterday said he had presented his country's case for membership in Nato to US secretary of state Warren Christopher, Reuter adds from Washington.

Mr Olechowski said he was given no immediate assurance from Mr Christopher that the US would endorse the admission of Poland into the western military alliance.

Poland was partitioned from 1795 until 1918 among Prussia, the Austro-Hungarian Empire and Russia, and was dominated by Moscow between the end of the second world war and the collapse of communist rule in the late 1980s.

Commission's Strategic Programme for the Internal Market

Worth keeping in the glove box

By Andrew Hill

The European Commission's 65-page Strategic Programme for the Internal Market, published yesterday, launches the next phase of the barrier-free single European market.

There is no doubt about the European Union's commitment in principle to the single market – which is still the most successful legislative and public relations exercise it has ever undertaken. In the communiqué issued after last week's Brussels summit, EU leaders described the internal market as "a major asset of the European economy" which "must be fully exploited".

But as the Commission itself admits, successfully maintaining the impetus of the market will be more difficult, and less rewarding than the first phase, in which Brussels proposed 282 to set up the single market. Phase two could also prove more expensive than phase one, with the European Union having to pay for constant monitoring, enforcement and evaluation, to prevent member states lagging behind or undermining benefits of the market.

The most detailed part of the strategy document deals with the development of the single market. The Commission stresses that this is not a new legislative programme. That would risk intimidating EU citizens, who became suspicious of the quantity of legislation in the 1985 strategy. The Commission says it will legislate where necessary, but only after full and open consultation with the interested parties.

Among its suggestions, the Commission is promising to look at how to eliminate obstacles to EU-wide protection of intellectual and industrial property; to examine how to improve the legal framework for companies which set up in several EU countries; and to produce, by the end of next year, proposals for a definitive system of value added tax, and for the elimination of double taxation on companies.

The Commission also pledges to publish during 1994 measures to lighten the administrative burden on small companies and to improve after-sales service for cross-border shoppers. Separately, the Commission is promising a green paper on how to co-ordinate EU legislation on advertising, marketing and sponsorship.

Finally, the Commission is to look in detail at how to encourage private investment in trans-European networks, the extensive and expensive telecoms, energy and transport infrastructure projects backed by last week's summit.

For certain groups – including consumer associations and the European Parliament – the strategic programme may not be tough enough. It promises much reflection, and little immediate legislative action. Its more ambitious proposals, such as continuing liberalisation of energy monopolies, can be easily diluted or blocked by member states.

But the Commission does not want to be tough for the sake of it. The strategic programme describes itself modestly as a "road-map" of the future development of the barrier-free Europe. Like most maps, it is not a thrilling read. Unlike most maps, many of the routes which it describes have yet to be built. But the programme should be worth keeping in the glove compartment, if only to measure the Commission and the Union's progress in achieving some tough goals over the next two to three years.

TEN KEYS TO THE FUTURE OF THE INTERNAL MARKET

☐ EU agreement by the end of 1994 on the last 16 measures in the original single market programme, and enforcement of existing legislation
☐ Easier access to national and European law-courts for disgruntled users of the single market
☐ Detailed study of the internal market's economic effects, set for 1996
☐ More money in the EU's 1995 budget to pay for managing the market
☐ Systematic evaluation of the need for, and economic impact of, legislation
☐ A rapid response to breaches of competition rules affecting the single market
☐ A better legal framework for cross-border companies
☐ A definitive VAT regime, to be proposed by end-1994
☐ Reduced bureaucratic burdens for small and medium-sized companies
☐ Co-ordinated policy on energy, transport, and telecommunications infrastructure, including encouragement for private sector investment

Source: European Commission

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Interest rate cut debate revived

US output jumps for November

By Michael Prowse in Washington

Reports of the biggest increase in US industrial production for a year yesterday added spice to a vigorous debate about the desirability of an early increase in US interest rates.

The Federal Reserve said industrial production rose 0.9 per cent last month after a 0.7 per cent rise in October. The rise was broadly-based but was especially strong in interest-rate sensitive sectors such as cars and business equipment.

The surge in production follows a string of buoyant economic figures, including a sharp fall in the jobless rate to 6.4 per cent last month.

Many Wall Street analysts believe the Fed should respond quickly to growing evidence of accelerating economic growth by nudging short-term interest rates higher.

They say the Fed should tighten policy before inflation begins to rise.

Others say inflation – 2.7 per cent in the year to November – is so subdued that no increase in rates from the current level of 3 per cent will be required for many months.

On Tuesday evening President Bill Clinton entered the debate, warning that it would be a "mistake" to raise rates because there was no sign yet of a rise in inflationary pressures. He said the economy had already suffered "a false start or two" and the priority was more jobs and higher incomes.

Previous signals from the administration had been more ambiguous, with some officials apparently unconcerned by the prospect of a small rise in interest rates.

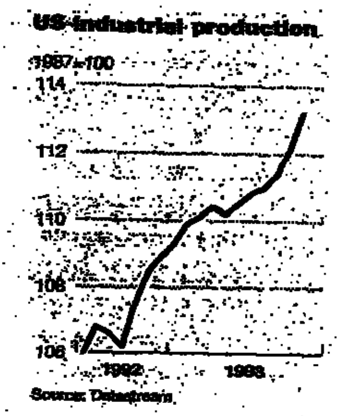
The Fed's policy-making open market committee meets next week to discuss monetary policy.

Yesterday's figures showed across-the-board strength of production. The largest gains were in car production, up 5.5 per cent. But output of business equipment and construction supplies rose 1.3 per cent and 1.1 per cent respectively. Overall manufacturing output was up 1 per cent with output of durable goods up 1.3 per cent.

The rise in industrial output, which followed a 0.7 per cent increase in October, lifted the rate of industrial capacity utilisation to 83 per cent – a level that some economists fear could result in upward pressure on prices.

This was the highest level of capacity utilisation since 1989, when inflation was rising, and compares with a long-term average of 81.9.

US industrial production



Source: Datastream

More investment from private sector

World Bank sees trend affecting middle-income developing countries but not poor ones, reports George Graham

ALL DEVELOPING COUNTRIES (US$m unless indicated)

	1970	1980	1986	1987	1988	1989	1990	1991	1992	1993*
AGGREGATE NET RESOURCE FLOWS AND NET TRANSFERS (LONG-TERM)										
NET RESOURCE FLOWS	11,197	86,730	63,896	67,800	74,047	79,469	102,100	121,131	156,631	176,660
Foreign direct investment (net)	2,268	5,256	10,142	14,534	21,204	24,710	26,340	36,876	47,267	56,283
Portfolio equity flows	0	0	606	761	1,096	3,486	3,774	7,552	13,073	13.197
Grants (excluding technical co-op)	2,076	13,283	16,022	16,691	18,257	19,022	28,458	32,870	34,460	35,5057
LONG-TERM DEBT										
Official creditors	5,150	58,465	39,188	38,226	36,657	31,684	34,133	35,743	41,743	58,489
Private creditors	1,686	36,421	11,251	11,001	14,164	9,566	3,467	5,702	21,632	30,539
Private non-guaranteed	1,702	9,726	−2,062	−2,412	−3,167	587	9,396	8,089	20,077	13,193

* Projected. Source: World Bank

Private-sector capital is replacing government finance for the middle-income developing countries, the World Bank says, but the poorest countries have not benefited from this trend.

Both private-sector loans and equity investments in the developing world climbed steeply last year to $102.1bn (£68.5bn), exceeding for the first time government loans and grants, which fell to $54.6bn, according to statistics compiled annually by the World Bank in its World Debt Tables, published yesterday.

The Washington-based development bank projects a further increase in private capital flows to $113.2bn, while official loans and grants are projected to recover to $63.5bn.

"There has been a remarkable turnaround in private capital flows to the middle-income countries," said Mr Michael Bruno, the World Bank's chief economist.

Mr Bruno's enthusiasm is tempered, however, by the much starker prospects for the low-income countries. With the exception of China, which has become the leading recipient among developing countries of private capital resources with a projected total of $27bn this year, all of the increase in capital flows has gone to middle-income countries.

While excessive flows of capital can create problems for policymakers in developing countries – for example, by pushing up exchange rates – Mr Bruno argues that the importance of private equity investment should make these flows more sustainable than the loans that created the 1970s debt crisis.

Not only are equity investors more likely to remain long-term partners, whereas bond investors might pull out if US long-term interest rates were to rise again, but the principal reason behind the turnaround in private capital flows has been the economic policy reforms carried out by the developing countries, Mr Bruno argues.

While private-sector lending to the developing world bounced back to $41.7bn in 1992 and $43.7bn in 1993 – four times the average annual rate in the previous six years – equity investment has risen even faster over the same period.

Governments are no longer the main source of finance

Foreign direct investment in the developing world, in which the investor acquires a long-term management interest in a company, climbed steadily from $10.1bn in 1986 to $47.3bn in 1992, and was projected by the World Bank to have risen again to $56.3bn in 1992.

Portfolio equity investment, in which foreign investors buy shares without seeking management control, also soared from $600m in 1986 to $13.1bn in 1992 as new stock markets opened and investment conditions in the developing countries improved. This category of capital flow is expected, however, to flatten out to $13.2bn in 1993.

Low-income countries, except for China, are in a much worse position. Most, especially those in sub-Saharan Africa, have no access to international capital markets.

Government-to-government financing has also slowed for these countries, although the World Bank notes "a welcome shift toward grant financing", paralleling the shift from lending toward equity investment in the private sector.

For the 29 severely indebted low-income countries, with outstanding debts of $204bn among them at the end of 1992, net flows of long-term capital almost dried up to total $1.7bn in 1992 before recovering slightly to a projected $2.8bn this year, but grants grew steadily through the late 1980s to reach $14.9bn in 1992 and $15.2bn this year.

The difficulty Mr Bruno sees for these poor countries is not so much the cash flow problem of servicing their debts as the overhang of accumulated debt.

"The capitalisation of interest and the accumulation of arrears has outweighed debt forgiveness," he said, calling for renewed efforts by creditor countries to reduce the stock of debt burdening the low income countries.

**World Debt Tables: World Bank Publications, Box 7247-8619, Philadelphia PA 19170-8619, US. Available in UK from Microinfo, PO Box 3, Alton, Hampshire, GU34 2PG.*

Mideast peace compromise hope

By Roger Matthews in London and Julian Ozanne in Gaza

Mr Yassir Arafat, chairman of the Palestine Liberation Organisation, appeared yesterday to be preparing the way for a compromise with Israel in the deadlock over implementing the outline peace accord signed by the two sides in September.

At the conclusion of a two-day visit to London, Mr Arafat expressed optimism that a solution would be found and referred to his problems with Mr Yitzhak Rabin, the Israeli prime minister, as "a common misunderstanding".

The two leaders failed at their Cairo summit meeting on Sunday to make sufficient progress for Israel to begin its troop withdrawal on schedule from the Gaza Strip and the West Bank town of Jericho. Mr Arafat had earlier insisted the December 13 deadline was sacred and the negotiations were at a crisis point.

Mr Nabil Shaath, who heads the PLO team in the negotiations with Israel, said yesterday Mr Arafat would meet Mr Rabin again in Cairo next Wednesday or Thursday.

Arafat: optimism

The PLO leader said before leaving for Dublin that he hoped the intervening period would provide sufficient for them to reach a deal "so that we are capable of implementing the agreement very carefully and very honestly".

The main sticking point has been the PLO demand that it should control the crossing points between Gaza and Egypt and Jericho and Jordan. Mr Rabin has insisted that the declaration of principles gives Israel full responsibility for external security and this includes the border crossing points. "We are not going to give the keys to reach Tel Aviv to anyone but Israelis," he said yesterday.

Meanwhile, nearly 200 Palestinians deported last year to southern Lebanon returned to the West Bank and Gaza yesterday. They were among the 415 expelled by Israel, amid international condemnation, for allegedly belonging to extremist Palestinian groups.

On a visit to military bases in Gaza, Mr Rabin warned the returning deportees against getting involved again in action against Israel.

In further violence in Gaza, Israeli forces shot dead a Palestinian who tried to attack a soldier and 10 Palestinians were wounded in other clashes.

Mr Shimon Peres, Israel's foreign minister, was due in Paris yesterday to meet Mr Mahmoud Abbas (Abu Mazen), the PLO official who signed the peace agreement in Washington.

Austerity pledge for Venezuelans

By Joseph Mann in Caracas

Mr Rafael Caldera, Venezuela's president-elect, has vowed to establish "a government of austerity" when he assumes power in February.

Mr Caldera, 77, speaking after he was proclaimed president-elect on Tuesday, will take over an economy suffering annual inflation of around 44 per cent and a fiscal gap estimated at $3bn (£2bn) this year. The government must also cope with declining receipts from oil exports, which provide most of its revenues.

Mr Caldera said he would reduce spending by the presidential bureaucracy and cut the 1994 central government budget. He also promised to minimise spending carried out via secret government accounts. These accounts were the undoing of Venezuela's last elected president, Mr Carlos Andrés Pérez, who was forced to leave office this year to face charges that he improperly used $17m from a confidential account earmarked for security and defence.

Venezuelans also voted for a new National Congress, but official results have not been published. Preliminary tallies by the largest political parties indicate that it will be split into four big factions.

GATT
The deal is done

UP TO NOW	WHAT'S TO COME	MAIN IMPACT
■ **Industrial Tariffs** The backbone of previous Gatt rounds. Tariffs on manufactures average 5 per cent in rich countries, down from 40 per cent in the late 1940s.	Tariffs on industrial goods cut by rich countries by more than a third. Over 40 per cent of imports enter duty-free. Key traders scrap duties for pharmaceuticals, construction equipment, medical equipment, steel, beer, furniture, farm equipment, spirits, wood, paper and toys.	Easier access to world markets for exporters of industrial goods. Lower prices for consumers. Higher-paying jobs through promotion of competitive industries.
■ **Agriculture** High farm subsidies and protected markets in Europe and US lead to overproduction and dumping of cut-price surpluses, squeezing exports of more efficient producers. Farm supports by OECD countries amount to $354bn in 1992.	Trade-distorting subsidies and import barriers cut over six years. Domestic farm supports reduced 20 per cent. Subsidised exports sliced 36 per cent in value and 21 per cent in volume. All import barriers converted to tariffs and cut 36 per cent. Japan's and South Korea's closed rice markets gradually open. Tariffs on tropical products cut by over 40 per cent.	Restraint of farm subsidies war. Lower food prices for consumers in currently protected countries. Better market opportunities for efficient producers. Special treatment for developing countries, though higher world prices could hurt poor food-importers.
■ **Services** No international trade rules cover services such as banking and insurance, transport, tourism, consultancy, telecommunications, construction, accountancy, films and television, and labour services. Countries protect industries from foreign competition.	Rules framework for basic fair-trade principles such as non-discrimination. Special provisions for financial services, telecommunications, air transport and labour movement. Individual countries pledge market opening in wide range of sectors. Further talks on telecommunications and financial services.	Boost for trade in services, currently worth $900bn a year in crossborder trade and another $3,000bn in business of foreign subsidiaries. Further liberalisation to be negotiated.
■ **Intellectual Property** Standards of protection for patents, copyrights, trademarks vary widely. Ineffective enforcement of national laws a growing source of trade friction. Trade in counterfeit goods reaches alarming levels.	Extensive agreement on patents, copyright, performers' rights, trademarks, geographical indications (wine, cheese, etc), industrial designs, microchip layout designs, trade secrets. International standards of protection, and requirements for effective enforcement. Extra time for developing countries to put rules in place.	Boost for foreign investment and technology transfer, though poor countries with weak patent protection fear higher prices for drugs and seeds.
■ **Textiles and Clothing** Rich countries restrict since 1974 imports of textiles and clothing through bilateral quotas under Multi-Fibre Arrangement. Countries maintain high textile import tariffs. Protection raises prices but fails to protect jobs.	MFA quotas progressively dismantled over 10 years and tariffs reduced. Developing countries reduce trade barriers. Normal Gatt rules apply at end of 10 years.	Developing countries able to sell more textiles and clothing abroad. Reduced prices for consumers worldwide because of fairer textiles and clothing trade (worth $248bn in 1992).
■ **Anti-dumping** Countries allowed to combat dumping (exports priced below domestic prices) with anti-dumping duties. Anti-dumping actions proliferate and increasingly seen as disguised form of protectionism.	Clearer rules for conduct of investigations and criteria for determining dumping and injury to industry. Duties lapse after five years. Rules covering circumvention of anti-dumping duties by relocating production.	More difficult to use anti-dumping actions for trade harassment. Harder to dodge duties by relocating.
■ **Subsidies** Subsidised exports can be met with countervailing duties but these, like anti-dumping duties, are cause of growing trade tension and increased disputes.	Definition of which subsidies are legal or not: some prohibited, some non-actionable (eg research or regional development). Others actionable if they harm competitors. More leeway for developing countries. Further talks on civil aircraft subsidies.	Tighter curbs on subsidy use, especially for exports. More difficult to use anti-subsidy actions for trade harassment.
■ **Safeguards** Safeguard actions protect domestic industry from sudden import surges which threaten serious injury. EU and US especially bypass non-discrimination obligation by pressuring countries to concede "voluntary" export restraints and other grey-area measures of doubtful legality.	Rules for conduct of investigations laid down. Measures not to exceed four years and progressively liberalised over their lifetime. Grey-area measures phased out and future use prohibited.	Lower prices for consumers and importers. Better access to markets for efficient producers. Increased pressure on inefficient producers to come up to scratch.
■ **Gatt Rules** Gatt remains much the same as when drafted in 1940s even though many more countries have since entered world trading system. Trade patterns have shifted, and new forms of protection have sprung up.	Many revised, improved, updated. They include codes on customs valuation and import licensing, and provisions on state-trading enterprises, customs unions and free-trade areas, waivers from Gatt rules, and measures allowing countries to raise trade barriers for balance-of-payments reasons. Rules covering pre-shipment inspection, rules of origin and trade restrictions on foreign companies.	Greater transparency, predictability and security in trading policies to promote respect for fair-trade disciplines.
■ **Technical Barriers** Product regulations and standards extensively used by governments to ensure products are safe for consumers and the environment. Varying standards can be disguised trade barriers.	Better rules to ensure technical norms, testing and certification procedures do not create unnecessary obstacles to trade and to encourage harmonisation around international standards but not preclude governments opting for higher standards. Rules dealing with animal and plant health and safety measures.	Reduction in costs of complying with different standards and regulations. Environmental and consumer groups fear higher standards than international norms may be discouraged.
■ **Government Procurement** Procurement covered by Tokyo Round agreement which opened many areas to international competition: 12 signatories (EU counting as one).	Enlarged coverage in separate accord to include services, public works, procurement by regional and local governments and public utilities. Separate telecommunications negotiations next year.	Value of procurement contracts subjected to open international bidding could rise from $32bn in 1990 to over $1,000bn.
■ **World Trade Organisation** Gatt originally envisaged as part of the International Trade Organisation (third pillar of Bretton Woods institutions alongside World Bank and IMF). ITO not ratified and Gatt still applied provisionally.	Gatt becomes permanent world trade body covering goods, services and intellectual property rights with a common disputes procedure. World Trade Organisation implements results of Uruguay Round.	Boost to the status of international trading rules, and more effective advocacy and policing of the open trading system.
■ **Dispute Settlement** Gatt increasingly deals with intractable disputes. Procedures do not cover some important areas such as intellectual property and services, and countries increasingly ignore recommendations.	Rules to increase automaticity and reduce delays in adoption and implementation of reports. Provision for binding arbitration and appeals. Single disputes procedure for all trade areas.	Harder to block panel judgments. Speedier and more automatic procedures to enhance WTO's authority in settling disputes. Restraint of US unilateral action by inclusion of virtually all trade in the multilateral system.

45 YEARS OF DOING THE ROUNDS

1947

Geneva (23 participants): Gatt's founding countries establish 20 tariff schedules which become an integral part of Gatt. These cover some 45,000 tariff reductions relating to $10bn in goods trade, half the world total.

1949

Annecy, France (13 participants). Some 5,000 tariff concessions exchanged.

1950-51

Torquay, England (38 participants). Some 8,700 tariff concessions exchanged, equivalent to a 25 per cent cut in 1948 tariff levels.

1956

Geneva (26 participants). About $2.5bn-worth of tariff reductions.

1960-62

Geneva (26 participants): The Dillon Round. Only 4,400 tariff reductions made, covering $4.9bn of trade. Agriculture and certain sensitive products excluded.

1964-67

Geneva (62 participants). The Kennedy Round. Uses a formula approach to cut industrial tariffs by 35 per cent across the board, staged over five years. Tariff concessions cover about $40bn of trade. Separate agreements reached on grains, chemical products and a code on anti-dumping.

1973-79

Geneva (99 participants): The Tokyo Round. Tariff reductions and bindings cover more than $300bn of trade and lower the weighted average tariff on manufactured goods in the world's nine biggest industrial markets from 7.0 to 4.7 per cent. The round also recognises preferential treatment for developing countries and liberalises trade in many tropical products. It revises the anti-dumping code and establishes Gatt codes on subsidies, technical barriers to trade, import licensing, government procurement, customs valuation, dairy products, bovine meat and civil aircraft.

1986-93

Geneva (117 participants): The Uruguay Round. Launched in September 1986 in Punta del Este, Uruguay, the eighth Gatt round has been by far the most complex and ambitious. Its 28 separate accords extend fair trade rules for the first time to agriculture, textiles, services, intellectual property and foreign investment. Tariffs on industrial goods will be cut by over a third, and farm export subsidies and import barriers will be substantially reduced. Gatt, the new accords on services and intellectual property, and the various Gatt codes such as those on government procurement and anti-dumping, will all come under the umbrella of a World Trade Organisation. Trade disputes between members will be settled by a single streamlined disputes procedure, with provision for appeals and binding arbitration.

David Dodwell on Uruguay Round's

Ringmasters who

The deal is done

Rufus Yerxa, the unflagging US trade negotiator, joked after a sleepless weekend "negotia-thon" with the European Union: "I have tried and failed over the past three Decembers to finish this Round. I'm damned if I'm not going to get at least one success on my CV."

At this point last year, when talk was of President George Bush and Mrs Carla Hills, his then US trade representative, making a last urgent push to complete the Uruguay Round of world trade talks before Mr Bill Clinton replaced him, Mr Yerxa took his son to the circus. Much has happened over the past 12 months to transform the Uruguay Round from a wearisome butt of jokes to a reality that is likely to provide a significant boost to international trade.

The transformation was based on three men: Sir Leon Brittan, appointed on January 1 to succeed the amiable but ineffectual Mr Frans Andriessen as EU trade commissioner; Mr Mickey Kantor, appointed in mid-January as Mr Clinton's US trade representative; and Mr Peter Sutherland, who replaced a battle-weary Mr Arthur Dunkel as director general of the General Agreement on Tariffs and Trade, in July.

Their first joint achievement was to set, and then keep in place, yesterday's deadline for completion of Uruguay Round negotiations. Gatt's reputation for missing deadlines had almost made it a laughing stock over the seven-year life of the Round.

The chemistry between Sir Leon and Mr Kantor was important. While both are Lithuanian Jews, the two could hardly seem less alike: Sir Leon, the patrician Englishman; Mr Kantor a lean, wiry street-fighter. But both came to their jobs with reputations as non-nonsense "deal-makers", and their shared commitment to close the Uruguay Round deal was soon apparent.

At a time when the US had lost faith in any commissioner's ability to deliver a deal from a fractious and hydra-headed EU, Sir Leon

Protection for patents raised

By Frances Williams in Geneva

The intellectual property accord in the Uruguay Round package is a triumph for Gatt negotiators. "This is the most important international agreement on intellectual property this century," says one senior trade official.

The US secured as good a deal as it could reasonably have hoped for, and far better than it imagined was possible when the multilateral trade talks were launched in 1986.

From outright opposition the attitude of developing countries swung to grudging acceptance of the need for tougher intellectual property protection. The change stemmed in part from fear that without a multilateral agreement they would be increasingly vulnerable to unilateral arm-twisting by the US, as South Korea, Thailand and China have been.

In part it reflected a growing interest in attracting foreign investment, which meant giving better guarantees to protect ideas and technology.

The result is an agreement encompassing all forms of intellectual property that would strengthen and harmonise standards of protection and provide for effective enforcement at national and international level. Among its main features are:

- Protection of patents for 20 years, regardless of place of invention or whether products are imported or produced locally. The main permitted exclusions would relate to animal and plant inventions and biotechnological process for their production – thus the agreement does not require "patents on life".

INTELLECTUAL PROPERTY

There will also be strict limits on compulsory licensing of patented products by governments, often used for pharmaceuticals in poor nations.

- Copyright will be protected for at least 50 years, to include computer programs and data compilations. Authors of computer programs and films will largely have exclusive rental rights, as will performers and producers of sound recordings and broadcasts.
- Trademarks and geographical indications, especially important for European wine producers, will be given stronger protection.
- Semiconductor layout designs will be protected for 10 years.
- For the first time, trade secrets will be protected from unauthorised disclosure.

All these rules will have to be implemented in national legislation, observing the basic fair trade precepts of national treatment (equal treatment for domestic and foreign rightholders) and non-discrimination between trading partners. Intellectual property disputes will be handled by the World Trade Organisation's disputes mechanism.

Least developed countries such as Bangladesh have an extra 11 years to implement the accord. Most developing countries, such as India and Thailand, have been given five years and industrialised nations one.

Where no patent protection now exists of any kind, in areas such as pharmaceuticals, developing countries have 10 years to put legislation into effect. But for pharmaceuticals and agri-chemicals, the agreement requires developing countries to permit the filing of patents from the time the agreement comes into force in 1995 and to treat them 10 years hence as if the legislation had been in effect from the start. Since drugs typically require upwards of 10 years' safety testing, those invented now would be protected at the point at which they came on the market.

Textile changes given impetus

By Daniel Green

A successful conclusion to the Uruguay Round is likely to add impetus to the structural changes that have swept textiles and clothing industries.

International trade in the sector is worth $240bn a year. With some exceptions, cheap and mid-priced goods, and commodities such as thread, are today produced in south and east Asia, the fringes of Europe, and Latin America.

Developed countries run trade deficits in clothing and textiles because trade barriers and production costs limit both domestic and export markets for their own goods.

Under the Gatt pact, most of the tariffs and quotas on clothing and textiles will be abandoned over 10 years after 1995. Its central feature is the phasing out of a set of bilateral quotas called the Multi-Fibre Arrangement (MFA). This system, established in 1974, imposes ceilings on, for example, the number of knitted garments exported from Hong Kong to Germany.

TEXTILES

These quotas will gradually be eliminated after 1995 and be abandoned in 2005.

Tariffs too will be reduced over the period. They will not disappear entirely, however, and countries with high tariff regimes such as the US and Australia will still have higher tax barriers than most of Europe and east Asia.

The Textiles Monitoring Body will police the rules.

While the changes are the most important for almost 20 years, and are likely to boost developing country exports, the impact on trade balances and employment in developed countries may not be drastic. Some quotas and tariffs have already changed. Since the creation of the single European market Asian exporters have been able to sell more to countries such as Germany and France by taking advantage of unused MFA quotas with countries like Greece.

Within Europe the effect will vary. The UK is in a relatively good position. Many of its manufacturers have learned to live with high imports from Asia, which are usually cheaper and of higher quality than those from east European suppliers to Germany and from North-African exporters to France.

The effect is likely to be most pronounced in European Union member states with low labour-cost textiles and clothing industries.

Banks regret 'bad news' on barriers

By John Gapper, Andrew Jack and Charles Batchelor

The failure of the US and the European Union to agree any important measures to open international markets in financial services and maritime shipping drew widely varying responses from the two industries yesterday.

Financial institutions mostly expressed disappointment, though some expressed confidence that market forces would gradually bring about the erosion of restrictions and freer trade which official negotiators had failed to achieve.

The shipping industry, by contrast, expressed relief it had been left out of the Uruguay Round, claiming inclusion could have formalised restrictive practices rather than remove barriers to trade.

Mr Nikolaus Boemcke, secretary general of the European Banking Federation, called exclusion of financial services from the Uruguay Round "bad news", because offers made during the negotiations might not remain on the table.

He was disappointed that countries outside Europe had not agreed to offer reciprocal concessions similar to those available to them under the EU's banking rules. "Our weapons against entry into Europe are not very strong," he said. The main hope of European banks and securities houses has been that the Gatt round would increase their access to markets in the Asia Pacific region and Latin America, while protecting their right to establish subsidiaries in the US.

SERVICES

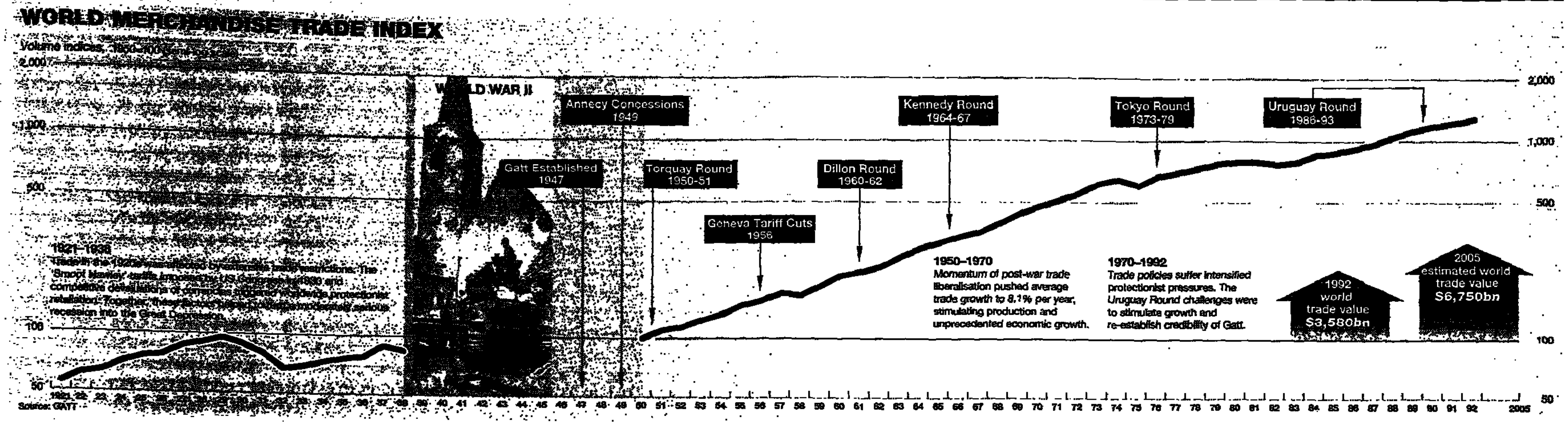
However, there is now doubt about the future of some market-opening proposals made in the talks, such as a Japanese offer to allow foreign institutions to manage private sector pension funds.

There is also uncertainty about the future status of certain types of cross-border activity, such as advisory work on international mergers and acquisitions, which do not require establishment of a foreign subsidiary. To some institutions, the negotiators' inability to agree on measures which protected existing trade in financial services was as much a source of regret as their failure to open markets.

Mr Bob Blower, assistant director of the British Bankers' Association, expressed concern at the lack of a "standstill" arrangement to prevent future retaliatory action.

"To be certain that the rules will not change is very important if you are considering setting up a subsidiary overseas. At the moment, the dangers of retaliation are theoretical, but the world can change," he said.

Shipowners have argued that their sector is already broadly liberalised and that inclusion in the Gatt provisions would slow rather than speed liberalisation.



transformation from circus act to world trade blockbuster

dramatically saved show

instilled confidence that he could deliver what he promised. Mr Kantor compensated for his slight knowledge of trade policy and of international affairs with his unassailably close links with Mr Clinton. The trans-Atlantic shuttle of the past 10 months, which has brought the two together at least a dozen times, played a big part in concluding a deal.

But perhaps the key development of the year was Mr Dunkel's replacement by Mr Sutherland. One Gatt ambassador recalled: "Arthur can be credited for 85 per cent of the outcome of the Round. But by the time he had completed the Draft Final Act at the end of 1991, he had exhausted all of his resources: he just couldn't do the last 15 per cent."

Mr Sutherland attacked the last 15 per cent with a vengeance. He was already meeting ministers from leading industrial countries at the OECD summit in July before being formally appointed, intent on ensuring that the Uruguay Round was the main focus of the Tokyo Group of Seven summit.

He succeeded in this. The tariff-cutting proposals to emerge from the G7 summit – which included commitments to cut tariffs to zero on a number of important industrial products – broke months of deadlock and gave other countries involved in the Round a clearer sense of possibilities.

There followed two months of intensive global diplomacy in which Mr Sutherland met leaders of all the main industrial powers, representatives of the Cairns Group of 14 food-exporting countries, Latin American leaders in Montevideo, Asean leaders in Singapore, leaders across eastern and central Europe and leaders in India and Mexico.

At the end of this process he had convinced marginalised developing countries that their patience would be rewarded, and their involvement appreciated. He had also won commitments from leaders that they would not allow the Round to collapse.

A crowning moment was his appearance at the IMF/World Bank summit in Washington alongside the heads of these two other Bretton Woods institutions. The elevation of trade policy to the centre of national economic and foreign policy meant that perhaps for the first time in decades, the head of Gatt was seen as being on an equal standing.

Behind the political theatre, Mr Sutherland revitalised a depressed and war-weary Gatt staff. He was never reluctant to bark at recalcitrant negotiators, nor to telephone world leaders for help in breaking logjams: "I didn't take this on to lose the thing," he commented recently. Negotiators have often been stunned by his bluntness – none more so perhaps than US treasury mandarins who came to Geneva to lecture, but ended listening, and diluting their demands.

As a Gatt ambassador commented: "If we were worried about the occasional fight, we would not have appointed an Irish rugby player as director general." During the scrummaging of the past week in Geneva, Mr Sutherland's sporting talents have unquestionably been in heavy demand. As a Uruguay Round success was confirmed yesterday, it will be the trading system that emerges the true victor.

Agriculture prices may rise 10%

By Deborah Hargreaves

The Gatt farm trade deal could lead to a 10 per cent rise in world agriculture prices in spite of expected increases in production, as it outlaws the dumping of subsidised food exports on world markets.

Export subsidies by the US and European Union have depressed world prices in recent years. The Gatt deal will mean 50m tonnes less subsidised wheat on world markets from 1995 to 2000, changing the wheat trade from one almost dominated by subsidies to one approaching free trade.

Reductions in farm income support will remove important distortions to world farm trade. The deal also begins to open up more markets worldwide by converting barriers to farm imports into monetary tariffs which are then reduced.

The inclusion of agriculture in the Uruguay Round brings farming into a set of international rules for the first time. It also sets important precedents for future negotiations over farm trade – tariffs, for example, are much easier to reduce in future than non-tariff barriers to trade.

Most analysis of the effects of the deal is hypothetical, but many economists say world prices will rise as subsidised exports are reduced. "Current world prices equal production costs minus the average of US and EU subsidies. As subsidies are knocked off, prices will rise," said Mr Brian Gardner, director of EPA Associates, the farm consultancy in Brussels.

Outright winners from the deal will be farmers in Australia, Argentina and to a lesser extent, New Zealand – among the so-called Cairns group of negotiating countries – which can produce more and will enjoy wider access to previously closed markets. Australia estimates it will increase its agricultural exports by over $1bn.

These exporters will not necessarily be looking to target directly the US and European Union since countries need only guarantee access for up to 5 per cent of the market for a particular product. But they will be looking to ship to huge markets in Russia and China which were previously supplied by subsidised products from the US and EU.

The value of subsidised exports must be reduced over six years under the terms of the now-infamous Blair House accord by 36 per cent below a base period of 1986 to 1990. At the same time, the quantity of these subsidised exports must be cut by 21 per cent.

These are the provisions which almost brought the entire agreement to its knees when the French government called for modifications, fearing their farmers would lose export markets.

Blair House was altered slightly to move the bulk of cuts in subsidies to the later years of the deal.

However, Europe has managed to preserve direct payments to farmers as compensation for falling prices. Although income support for farmers must be reduced by 20 per cent in developed countries over the life of the deal – 13.3 per cent in developing countries – the EU gained exemptions for some direct payments. This means farmers can still be paid for growing less and for structural adjustment which is an important part of reform of the Common Agricultural Policy.

AGRICULTURE

The EU farm industry will see its income decline in the short term although this can be attributed more to CAP reform than the Gatt settlement.

In the long run, farmers can make up for reductions in their artificially high support prices by increasing output or improving productivity.

At the same time, introduction of tariffs to imports rather than non-tariff barriers will afford European farmers even greater protection than they enjoy now. But these tariffs will be reduced by 36 per cent over six years for developed countries – 24 per cent for developing countries over 10 years.

The tariff issue has caused great controversy in Japan since Tokyo enforced a ban on all rice imports – a non-tariff barrier which is difficult to convert into a monetary levy.

The wider effects of an overall Gatt deal are expected to boost incomes in many countries, leading to rising demand for food products. This in turn is likely to feed through into higher prices.

But developing countries which are largely dependent on food imports will lose out because they will be forced to pay more. In recognition of this, the Gatt deal sets out plans for more food aid and grants for agricultural development to those worst affected.

WTO - new name heralds new powers

By Frances Williams in Geneva

The US knows how to play a mean game of poker. It formally agreed only yesterday to the establishment of a new, more powerful, world trade body which will take trade in goods, services and ideas under its wing.

Then, just as everyone was breathing a sigh of relief, it said it would do so only on condition the name was changed, from the Multilateral Trade Organisation to the World Trade Organisation.

It is hard not to see this as the US getting its own back on the European Union, and particularly the French, which proposed the original MTO name. But World Trade Organisation it is.

Washington's reticence to sign up to a WTO reflected anxiety on the part of US negotiators that it might pose an unnecessary difficulty in pushing the Uruguay Round package through Congress, always suspicious of any threat to its sovereign powers in trade policy.

This has been a sensitive issue ever since Congress vetoed the International Trade Organisation, which was to have been the third Bretton Woods pillar alongside the IMF and World Bank.

Withholding US consent to the WTO also proved a useful bargaining chip in negotiations with the EU which, along with Canada, put forward the WTO proposal in 1990.

European negotiators, chivvied by France, had made establishment of a WTO a key Uruguay Round objective, in order to place multilateral curbs on US unilateral trade action.

The fact that the US has now agreed to endorse the WTO is thus significant in two ways: it signals that, in the administration's view at least, it has a good and sellable Uruguay Round accord in the bag; and it reflects an acceptance of new curbs on its unilateral powers in return for a much stronger multilateral disputes mechanism.

> Washington's reticence to sign up to a World Trade Organisation reflected anxiety on the part of US negotiators that it might pose an unnecessary difficulty in pushing the Uruguay Round package through Congress, always suspicious of any threat to its sovereign powers in trade policy.

Under the agreement on disputes procedures, to be administered by the WTO, countries agree to use multilateral remedies wherever they are available.

This is already the case in Gatt but, since the WTO will now cover not only trade in goods but also in services and intellectual property, the scope for unilateral action will be considerably narrowed.

Washington has acknowledged that its controversial Section 301 trade law authorising reprisals against unfair traders will not get as much use in future, but say the new disputes settlement procedure will be a good substitute.

It is particularly pleased to have secured the principle of cross-retaliation – that countries can take reprisals against goods trade, say, if a trading partner breaches fair trade rules on services.

The WTO will operate the same mechanism for settling disputes across the trade spectrum, replacing the separate systems operated by Gatt and its various voluntary codes.

In addition, "dispute resolution will become more timely, automatic and binding," says a US factsheet issued on Tuesday. "When we take a case to a Gatt dispute settlement panel and win, we know that the report will be adopted and that we can retaliate if the other country does not respond."

The factsheet, perhaps deliberately, does not make clear that this retaliation would be with WTO authorisation, if offending countries failed to implement panel reports or pay adequate compensation.

Administratively, the WTO will be an umbrella organisation encompassing the Gatt and sister bodies on services and intellectual property, and headed by a ministerial conference meeting at least once every two years.

A WTO council at official level will run the organisation's affairs and turn itself as needed into a body to arbitrate disputes and review members' trade policies.

Membership of the WTO will mean accepting all the results of the Uruguay Round without exception. The expectation is that most if not all Gatt's 114 members will join.

The WTO will operate, as Gatt now does, on the basis of consensus. The main exception is dispute settlement where offending countries will no longer be able to block adoption of panel reports.

Countries will have a new right of appeal against panel verdicts but, if this fails, they will be required to put things to rights, pay compensation to trading partners, or face authorised trade reprisals.

Clearer guidelines for deciding whether injury has been caused

Dumping accord proved a watershed

By David Dodwell

Settlement last Sunday of a fiercely fought row over a US attempt to dilute international restraint on the use of anti-dumping laws was a watershed for the Round, and a clear signal the critical compromises were at last being made on all sides.

Negotiators then realised that if disagreements as apparently intractable as those over anti-dumping could be resolved, the way was clear for other outstanding disagreements to be settled.

The gavel began falling almost immediately on the great majority of the Uruguay round agreement.

The new anti-dumping agreement provides for greater clarity and more detailed rules for deciding whether a product is dumped.

It provides clearer guidelines for deciding whether injury is caused, and the procedures for anti-dumping investigation.

It sets rules on how long anti-dumping actions can remain in force.

On deciding whether a product is dumped, the agreement sets new rules for comparing the normal price of a product with the export price.

It aims to curb practices of arbitrarily creating or inflating dumping margins.

Among the new procedures, it will be easier for interested parties to present evidence in investigations.

Preliminary and final findings in anti-dumping actions will be notified to interested parties promptly and in detail.

This was in answer to complaints that Gatt panels were too secretive, and never revealed how they reached a conclusion.

ANTI-DUMPING

Labour unions as well as companies will be able to bring complaints to the attention of governments.

But investigations will be terminated immediately if a dumping margin is found to be de minimis (defined as less than 2 per cent of the export price of the product) or if the volume of dumped goods is negligible - generally when the volume of dumped goods from an individual country account for less than 3 per cent of the imports of the product in question.

Gatt panels established to examine the results of a dumping investigation will not be allowed to re-examine the facts of the case – the US was adamantly opposed to this power – but will be able to look at how the case was handled.

Careful fudges have been needed to ensure that lobbies back home see the gains, rather than losses, that have been involved in the process.

Of the changes demanded by the US to the text of the Uruguay round anti-dumping agreement, US negotiators will tell their domestic audience that it has scored eight out of 11.

Its key "victory" has been to win agreement over "standards of review", where the US had been protesting at proposed new Gatt powers to re-examine not just the handling of a dumping case, but the facts presented to it.

For opponents of the US proposals, there will be relief that demands for stricter anti-circumvention rules have been rejected, and that the "sunset" clause forcing a dumping duty to expire after a certain number of years would be protected.

The US will no longer be able to retain dumping duties indefinitely. Over 10 per cent of US dumping duties have been in place for more than 20 years.

"Trying to read this agreement is rather like reading goat's entrails," one dumping negotiator commented.

"We will all be looking at the same thing, but the US will tell its domestic audience one thing, and others will tell their domestic lobbies another. He insisted that the compromise outcome "is at least less ambiguous than the original US proposals".

For Gatt negotiators, the compromise is historic: "Every previous deal has had to be imposed on countries with unreconciled disagreements," he said: "This is the first agreed text ever achieved in the area of anti-dumping," one said.

THE LONGEST ROUND OF ALL

1985
November: Geneva. Gatt members agree to establish a preparatory committee to draw up an agenda for the new round, but arguments persist over inclusion of services and the priority to be given to Third World interests. Paris signals worries on farm export subsidies.

1986
July: Geneva. Preparatory committee ends with two draft agendas, one compiled by OECD countries and the other by developing countries. Switzerland and Colombia produce a compromise "café au lait" draft finally vetoed by France over farm trade.

August: Cairns, Australia. Fourteen food-exporting countries set up a group to represent their interests.

September: Punta del Este. Uruguay Round launched in a fashionable seaside resort. US bulldozes services, intellectual property and foreign investment restrictions on to agenda despite objections from developing countries led by India and Brazil. EC reluctantly agrees to inclusion of agriculture as part of "global package".

1987
January: Formal negotiations begin in 15 subject areas.

July: US tables audacious plan to scrap all farm subsidies within 10 years. EC reacts with incredulity.
1988
December: Montreal. Mid-term review. Agricultural discord prevents agreements on intellectual property, safeguards (emergency import protection) and textiles. Ministers agree a negotiating framework for services, lower trade barriers for tropical products, improved disputes settlement and country policy reviews, as well as a one-third target for overall tariff cuts. But Argentina insist these are put on ice until the farm trade row is settled.

1989
April: Geneva. US backs down on farm subsidies, with final agreement referring only to "substantial progressive reductions" in trade-distorting farm supports.

1990
January: Geneva. US blocks majority preference for "formula" approach to tariff-cutting across the board, which would have forced bigger reductions in high tariffs such as US textile duties. Negotiators obliged to bargain line by line, country by country.

July: Houston. Leaders of the seven biggest industrialised nations pledge to complete the round by the end of the year. This pledge will be repeated in 1991 (London), 1992 (Munich) and 1993 (Tokyo), stretching G7's credibility.

December: Brussels. Ministerial meeting. Trade ministers from 107 countries acrimoniously fail to conclude the round. Discussions again founder over agriculture. Argentina and other Latin American nations walk out.

1991
May: Washington. Congress grants President Bush a two-year extension of "fast-track" negotiating authority.

December: Arthur Dunkel, Gatt director-general, attempts to force negotiators' hands by compiling a complete draft package of accords – the "draft final act". France denounces the agricultural text before it is published, and the EC later demands "substantial improvement" to the Dunkel draft.

1992
May: Brussels. EC members agree plans for radical reform of the Common Agricultural Policy, virtually to eliminate export subsidies and cut support prices.

November: Washington. US and EC agree terms for reducing EC exports of subsidised farm goods. The "Blair House" accord paves the way for resumption of the negotiations but is bitterly contested by Paris.

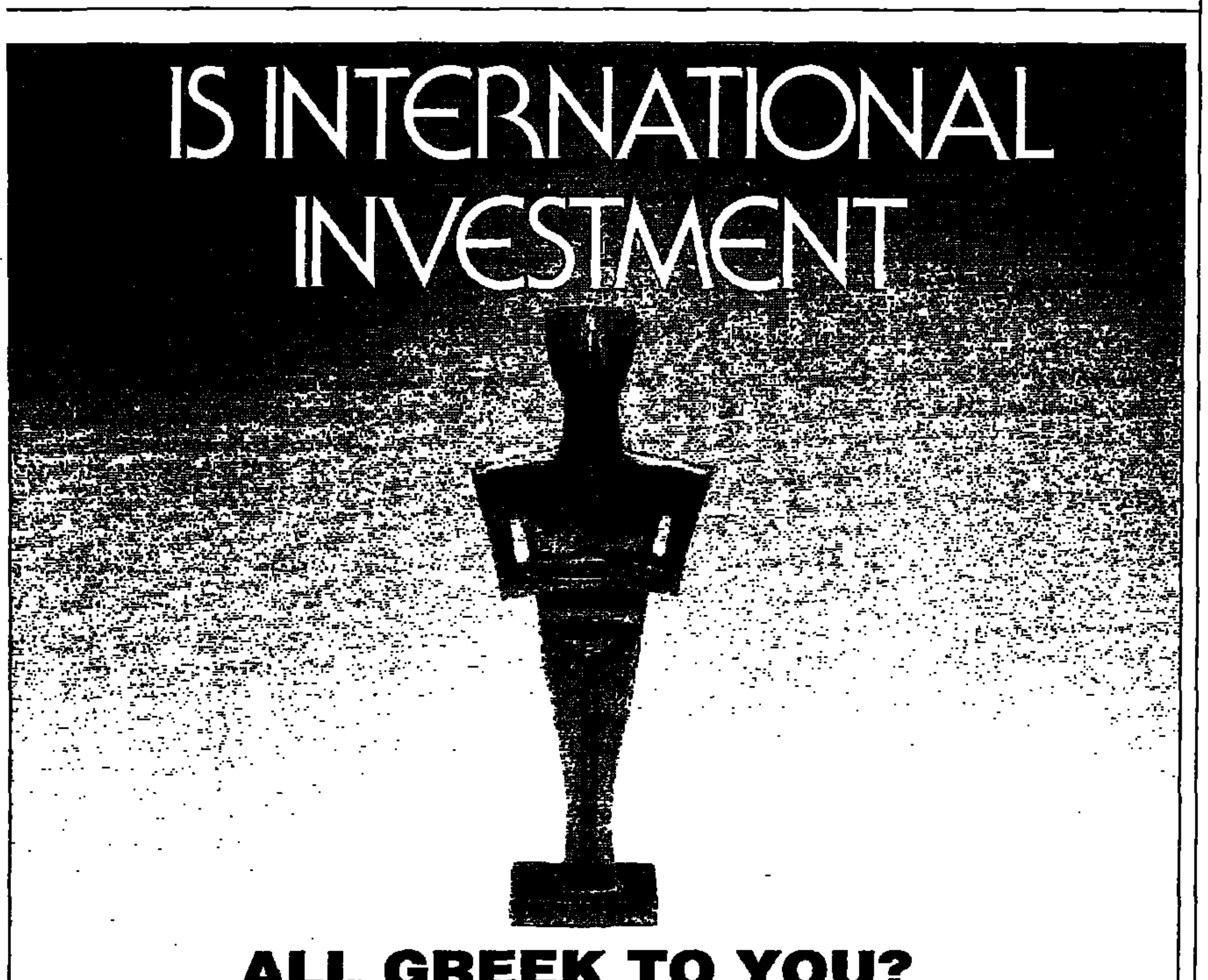
1993
January: Washington. President Clinton takes office after an unsuccesful last-ditch attempt by the US and EC to patch up differences before the change of administration.

June: Washington. US Congress grants new "fast-track" negotiating authority requiring President Clinton to notify by December 15 his intention to sign a Uruguay Round accord and submission of the final deal to Congress by April 16.

July: Geneva. Peter Sutherland, former EC competition commissioner, takes over from Dunkel.

July: Tokyo. G7 summiteers agree detailed tariff-cutting package which, though the interpretation is later disputed, acts as platform for country-by-country bargaining in the final months.

December 15: Geneva. Countries formally agree to submit the final Uruguay Round package to their governments. for approval. US negotiating authority expires.



Colin Beere

Mr Peter Sutherland and members of the Gatt secretariat pose outside the organisation's Geneva headquarters

Clinton keeps eye on broader goal

Foreign policy albatross turns into an eagle

By Jurek Martin in Washington

The deal is done

For their staff, all presidents mostly walk on water. Thus it was not surprising to hear Mr Sandy Berger, the deputy national security adviser, portray both the successful resolution of the Uruguay Round and the ratification of the North American Free Trade Agreement a month earlier as the vindication of President Bill Clinton's determination to change some of the underlying principles of the way the US looks at the world outside.

First, he said, both demonstrated that "economic security is now on the front burner of American foreign policy". Second, they proved what Mr Clinton had been preaching in last year's campaign, that the walls between US domestic and foreign policy were going to be broken down.

Six short weeks ago there appeared the measurable risk that trade policy would be the albatross around the neck of US foreign relations, not the eagle leading it upwards.

The dark scenario had, in order: Nafta falling to defeat in Congress, leading to an embarrassing Asian summit, followed by an inability to break the Uruguay Round impasse mostly because of disagreements with the European Union, spilling over into an acrimonious Nato summit next month – a sequence in which the absence of US leadership would be widely condemned.

None of this has come to pass because the Clinton administration has shown itself, in the crunch, willing to cut a deal, even when it said it would not, in the pursuit of the broader goal.

It was true of Nafta, which 60 per cent of the Democratic party opposed, and of the Round.

Much of the individual credit on the US side must lie with Mr Mickey Kantor, the trade representative and negotiator extraordinaire, who can never again be accused by sniffy Europeans and Washington trade experts of not knowing his brief.

But he takes his instructions from his president – and, on both Nafta and the Round, Bill Clinton was intimately involved in much of the fine print.

This produces something of a paradox. A Democratic president, a suspected mercantilist who is the titular head of a party with protectionist inclinations, can claim credit for completing the Round where his two Republican free trading predecessors failed.

UNITED STATES

He still has to get the Round approved by Congress, probably next spring, but the lessons of the uphill Nafta campaign have been well learned and the selling has already started.

Opposition can be expected from the anti-Nafta coalition, led by unions and environmentalists, and from some industries dissatisfied with the Round, but the political prognosis at this stage is generally favourable, especially now Congressman Richard Gephardt, Democratic majority leader, has been reassured by the anti-dumping agreement.

Yet, equally paradoxically, success does not resolve many of the doubts about the direction of US trade policy. Indeed, it may even increase them. If France has been able to claim success for its insistence on degrees of protection, then the tight Clinton trade team, also now riding high, is unlikely to be susceptible to theoretical arguments that its pursuit of what it considers to be "fair" or "managed" or "results-oriented" trade is wrong-headed.

Whatever was ceded for good tactical reasons in the final negotiations – reformulating Blair House, agreeing to disagree on audio-visual trade and financial services – does not mean the US intends to be less muscular in its approach. Nor has it surrendered many of the tools, in the shape of US laws, to make its goals stick.

It will continue to press, after the agreed interval, for greater access for its banks and brokers, especially in Japan and other Asian countries.

Having raised the stakes so high, it cannot again disappoint its Hollywood backers by not seeking a better arrangement with the European Union in audio-visual trade.

It will still lean heavily on countries such as Japan to obtain bigger market-opening initiatives for a wide range of goods and services, and only partly because there are lobbies in Washington with reservations about what was achieved in the Round.

To be fair, Mr Clinton has never deviated from his promise to pry open foreign markets for US exporters. It was the subject of one of his earliest campaign speeches and he has consistently expressed the same view ever since. As he has frequently put it, the choice is simple – either "compete or retreat."

Mr Warren Christopher, the secretary of state, repeatedly says that he considers himself and the US diplomatic service to be representatives of US commercial interest.

It may be ironic that trade policy, which featured, against some expectations, so little in last year's presidential elections, should be the area in which President Clinton has achieved so much in his first year. He is unlikely to rest on these laurels, above all not now that the Japanese trade surplus is showing signs of declining for the first time in three years.

FRANCE

Balladur wins final round

By David Buchan in Paris

As President Bill Clinton tries to push the Gatt accord through Congress, he might well envy the tactics of Mr Edouard Balladur, France's prime minister, who yesterday wrapped the controversial deal up with quite unrelated promises of future tax cuts and aid to women and the aged.

Using the peculiarities of French parliamentary procedure, Mr Balladur yesterday ensured overwhelming support for the Gatt deal by tabling a vote of confidence not only on the trade agreements but also in his government's overall past performance and future pledges.

Nonetheless, he devoted most of his hour-long speech to the Gatt deal, which he said was in the long-term interest of France, the world's fourth largest exporter. It would not bring "miraculous gains", but in opening markets "in agriculture, industry and services, it respects the fundamental interests of France".

Specifically, he claimed that France had won:

- Tariff concessions for its exports, particularly in steel, chemicals, pharmaceuticals and perfumes.
- Protection of its copyrights in textiles, foodstuffs, luxury and pharmaceutical goods.
- Gains for its banks and insurance companies to expand abroad in the service area, which accounts for 60 per cent of French exports.
- Some protection for vulnerable sectors like aluminium and consumer electronics.
- The ability to go on funding aircraft-making.
- On the two most controversial areas for France – audio-visual broadcasting and agriculture – he claimed success for his own personal intervention with President Bill Clinton, warning him last Sunday night that "France would sign no agreement that jeopardised its cultural identity".

Period of drift comes to an end for European Union countries

By Lionel Barber in Brussels

AMID the euphoria in Brussels yesterday, it was easy to exaggerate the immediate impact of a Gatt world trade deal on the European Union.

A conclusion of the Uruguay Round will not cure the worst recession since 1974. The number of people out of work in Europe will still rise to nearly 20m next year. Once member countries see the fine print of the text agreed in the multilateral negotiations in Geneva, the bickering will begin again.

But to dwell on these points is to miss the big picture. After a period of drift and paralysis, Europe has managed to settle its internal differences and act coherently on the world stage.

A hard-fought Gatt agreement, in which Europe was seen to defend its vital commercial interest, may come to be viewed as a psychological turning-point, however much French brinkmanship tested the collective nerve.

Europe has been trapped in crisis for the past 18 months, starting with the Danish rejection of the Maastricht treaty in June 1992. This was followed by the *"petit oui"* to Maastricht in France, and, in August, the collapse of the European exchange rate mechanism, and the continuing civil war in former Yugoslavia.

Divisions over trade were, potentially, more explosive. In the run-up to the December 15 deadline, diplomats in Brussels warned that failure to reach a Gatt deal could crack the Franco-German alliance which remains the anchor of the European Union, whatever its present strains.

Export-dependent German industry was adamant that no amount of concern over 5m French farmers should sabotage a successful conclusion of the Uruguay Round. A Gaullist-led government in France, trapped by its aggressive election campaign rhetoric, warned that it would not countenance a deal which overrode its national interests.

The stand-off within the EU – and the ensuing complications in negotiations with the US – risked a slide into 1930s-style protectionism and the end of a common European trade policy. A de facto split beckoned between "northern liberals" including the UK, Germany, the Netherlands and Denmark, and a French-led protectionist-leaning rump including Greece, Spain, and Portugal.

EUROPE

French demands for stronger European trade weapons mirror this division. For Germany and the UK, the principle that a free-trade leaning minority can use their combined voting weight to thwart trade retaliation dates back to the 1958 Treaty of Rome.

For France and her allies, the question is whether Europe can punch her weight in international trade not just against the US and Japan, but also against the rising might of China and East Asia.

At yesterday's meeting of foreign ministers in Brussels, a compromise on aspects of the trade weapons debate appeared in sight. "If we can get a deal, it would end months of mutual suspicion," said one diplomat.

For the European Commission, a Gatt deal marks a second triumph in less than week, the first being the better-than-expected reception which heads of government gave to the white paper on employment, growth and competitiveness at the Brussels summit. For Sir Leon Brittan, the chief EU trade negotiator, it marks the progression from intellectual heavyweight to deal-maker on a grand scale and a serious candidate to succeed Mr Jacques Delors as Commission president.

The difficulty now will be to keep up momentum. One senior EU official says that the current state of play in international trade resembles the political debate in Europe in the 1950s when states had to choose between a free trade area and strong institutional mechanisms to manage the customs union and harmonise economic policies.

In this view, today's gains must be translated into tomorrow's lasting trade framework to cover exchange rate movements, the environment, competition, and social policy, including low wage labour.

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Trade round like this may never be seen again

By Frances Williams in Geneva

The likes of the Uruguay Round, mother of all trade negotiations, may never be seen again. In fact, the very idea of a future trade round has now been ditched. There will be further talks on such issues as agriculture and services, where many trade barriers remain. New issues – certainly the links between trade and the environment, will be debated. But they will not be harnessed to each other in a global negotiation.

Arguably, in 1986 the sprawling and unwieldy Uruguay Round agenda was necessary to secure the support of all Gatt members to launch the talks, from the US with its emphasis on new issues such as services and intellectual property, to developing countries which wanted more open markets for their exports of farm and textile products.

But the sheer breadth and complexity of the round, coupled with the huge number of countries involved (117 by the end), came close to being its undoing. With "nothing agreed until everything is agreed", the talks were hostage to every blockage along the way.

WHERE NOW?

Officials have vowed never to repeat the gruelling experience of the past seven years. Throughout the Uruguay Round agreement, provisions exist for further reviews and negotiations on fixed timetables in different areas, none of them linked. In agriculture, the Uruguay Round deal is seen as part of a continuing process to cut farm subsidies and protection. The present agreement calls for cuts over six years, before which there must be another negotiation to decide what happens next.

The services accord requires countries to begin a new round of talks within five years of coming into force and "periodically thereafter". The present accord is seen as the start of a long process of services liberalisation, in the same way as Gatt has progressively reduced trade barriers for goods over 45 years.

All this will be welcome news to proponents of the many new issues now being pressed onto the international trade agenda. They have less risk of running into the sand because some other Gatt member has not got its own pet concern on the slate.

Topping the list of the new World Trade Organisation's future concerns will be the interaction of environmental and trade policies, and how to promote sustainable development and ecological well-being without resorting to protectionism.

Environmental groups have waged a noisy campaign to "green the Gatt"; most industrialised countries admit, with hindsight, this area should have been tackled earlier. But the highly complex issues involved in the environment/trade debate could not have been adequately tackled in a round dangerously overloaded with other matters.

Gatt members have agreed to draw up a work programme on trade and the environment to be approved by ministers next April when they sign the Uruguay Round accord. The work programme will include the possibility of changes to international fair trade rules to accommodate environmental concerns.

Many other areas exist for possible action by the WTO, but a common theme is "levelling the playing field" by requiring certain minimum norms in domestic policies that impinge on economic competitiveness. This follows naturally from the Uruguay Round which broke new ground by introducing rules covering the previously sovereign area of domestic policy-making. Proposed new areas include:

- **Competition policy:** in 1992 Sir Leon Brittan, then EC competition commissioner, proposed a strong role for Gatt in drafting and enforcing international competition rules covering subsidies, cartels, merger policy and public monopolies. This proposal was taken up more recently by Mr Karel Van Miert, the EU's current competition supremo.

As tariff and non-tariff barriers are cleared away, these "private barriers to trade" are increasingly the most important obstacle to corporate expansion, Mr Van Miert said in October. Like the new rules agreed on intellectual property in the Uruguay Round, the idea would be to have common minimum standards for handling restrictive business practices, effectively enforced, with the WTO as an international forum for handling disputes.

"One should not even dream about a worldwide and independent competition agency at this stage", Mr Van Miert acknowledged.

- **Investment:** foreign direct investment now drives international trade flows. Multinationals now account for a third of total world trade. The limited Uruguay Round agreement on trade-related investment measures presages the possibility of complementary rules on investment and competition more generally.

A Gatt for investment would lay down basic fair trade principles and might require countries to grant establishment rights to foreign companies. This idea was anathema to developing countries when the Uruguay Round started but they have since competed to attract overseas investment; some have become big foreign investors in their own right.

- **Worker rights:** the US has repeatedly and unsuccessfully pressed for discussion of common international standards on worker rights, an idea strongly opposed by poor nations who fear another excuse for protectionism. France and Mr Jacques Delors, EU president, have voiced support for a Gatt agreement on social issues. But confusion exists about whether such talks would focus on economic standards such as minimum wages or basic human rights ones, such as freedom to form unions and bargain collectively.
- **Developing countries:** Poor nations are keen on new rules to help prop up commodities prices. They want more liberalisation of trade in labour services. Rich nations have so far agreed only to freer movement for managerial and highly-skilled workers, but further talks will be held.

The ill-fated International Trade Organisation mooted in 1947 would have had responsibilities for regulating international competition in such areas as restrictive business practices, investment, commodities and even employment. Commodities and restrictive practices were much later taken on board by the UN Conference on Trade and Development. But unlike the WTO, it has no enforcement powers.

WINNERS AND LOSERS

Europe and China stand to gain most

THE WORLD: Estimates of the boost to the world economy from tariff-cutting on goods range from $212bn-$270bn a year at the end of 10 years. These figures underestimate the likely total gain because they do not include benefits from services trade liberalisation, stronger trade rules and greater business confidence.

A World Bank/OECD study says 90 per cent of the benefit of $213bn a year comes from farm trade reform, with the rest reflecting tariff cuts on industrial goods. OECD countries reap two-thirds of the benefit from trade liberalisation in goods and almost all the gains from liberalisation of services.

Most countries – rich and poor – will gain on balance but some, notably poor food importers, will be worse off. Consumers and efficient producers will benefit around the world but sectors losing trade protection, especially farmers in rich countries, will lose. Fairer trading rules and better market access will help countries in the process of economic reform, whether developing or former communist nations, which have liberalised their trade regimes to stimulate export-led growth.

THE WINNERS: The European Union is by far the biggest winner from the round (gaining $80bn a year on World Bank/OECD figures). This is mostly due to farm trade reform which will reduce farm subsidies and, by cutting food prices, boost consumers' incomes. As the world's biggest exporter, the EU will also benefit from more open markets for its goods and services.

The seven members of the European Free Trade Association also do well. They now subsidise their farmers even more generously than the EU and are big exporters of industrial goods and services.

China is the second largest winner, mainly from textiles liberalisation. Though China is not yet a Gatt member, it is a member of the restrictive Multi-Fibre Arrangement which will be phased out over 10 years. Other east Asian economies will benefit from better market access for their exports.

Japan and the US gain from market-opening abroad and farm trade reform at home, especially – for Japan – the opening of its rice market.

The 14-strong Cairns Group of agricultural exporters win big benefits from better access to world markets for their efficient farmers.

THE LOSERS: "Unequivocal losers," at least in the short term, are poor net food importers who will have to pay higher prices for food in world markets as US and EU export subsidies are cut, and countries receiving trade preferences in industrialised-country markets, the value of which will fall as tariffs are lowered.

These countries include virtually all of Africa. Indonesia is also a big loser as are Caribbean nations whose relatively high-cost exports of textiles and bananas now benefit from preferences in the US and EU.

In the longer term, these countries, too, should gain from the round – first and foremost from better trading rules that protect the interests of small nations against bullying by the giants, second because higher food prices are likely to lift farmers' incomes and eventual food production, and third because they should benefit from a rise in world prosperity.

JAPAN

Public won over to Gatt cause

By Michiyo Nakamoto in Tokyo

In recent weeks Japanese bureaucrats, business leaders, politicians and media have shown unusual solidarity in rallying behind the cause of world trade reform.

The message they brought to the Japanese public has been straightforward – as a nation of few resources, Japan depends heavily on maintaining global free trade and failure of the Uruguay Round could jeopardise the country's economic foundations.

Japan's acceptance of the accord is a testimony to the success with which that message has been delivered.

The benefits to be derived from the successful conclusion of the round, though substantial, will only have come at a high cost. The deal on rice imports threatened to split the Social Democratic Party and topple the coalition led by Mr Morihiro Hosokawa, who was criticised for his handling of the affair. The denial to the last moment by members of the government, including Mr Hosokawa, that a deal on rice existed, could be a costly mistake for the prime minister, who is sustained in power largely by his high popularity rating.

It has long been agreed that the country's main industries will benefit from tariff reductions for electronics, particularly in the EU, and lower tariffs for construction machinery and other manufactured goods.

It has become increasingly clear in recent years that the advantages to Japan of agreement on Gatt are not restricted to the substantial growth in trade that might be expected.

As a country which not only depends on the free flow of goods for its wealth but which has come under growing criticism from its trading partners, Japan has much to gain from a strengthened international organisation which could set the rules for global trade and arbitrate in disputes.

The importance to Japan of a multilateral trading organisation such as Gatt has been underlined in recent years by its many trade disputes with its major trading partners, in particular the US.

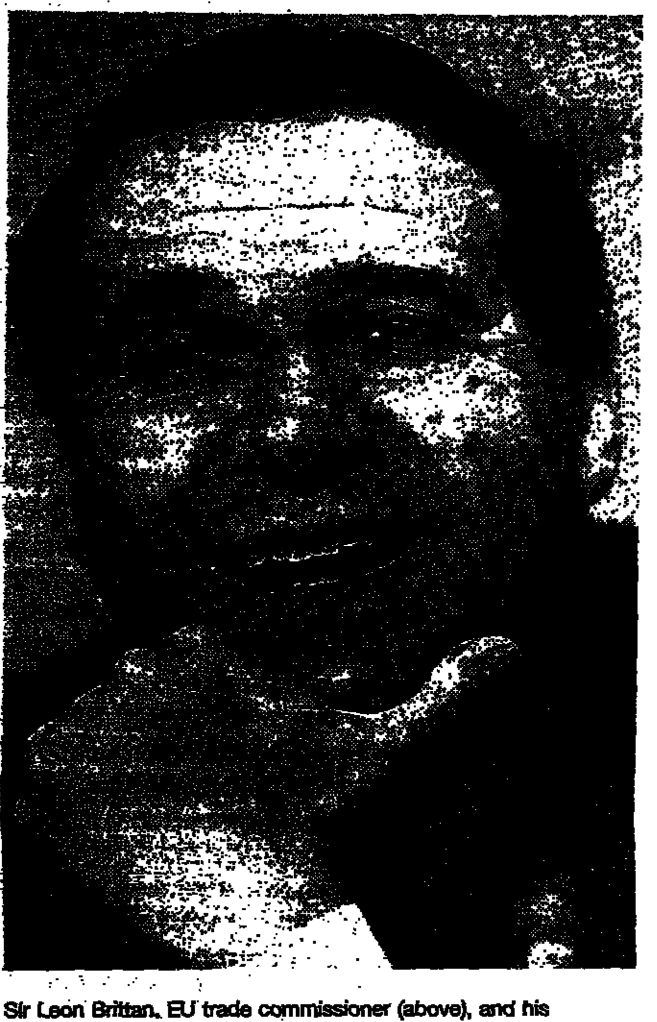
Demands by the US that Japan set quantitative indicators to boost imports of foreign products, abuse of anti-dumping measures by its trading partners and disagreements between the US and Japan threatening to lead to sanctions, have highlighted the need for clearly defined multilateral trading rules and a dispute settlement organisation to prevent damaging unilateral action.

The drive in Japan to support a stronger multilateral trade system has been helped by its unfortunate experience with several bilateral trade agreements, such as the semiconductor arrangement with the US under which Japan is supposed to increase the foreign share of its semiconductor market to 20 per cent.

Simultaneously and more fundamentally, a successful round will help the country take difficult steps towards restructuring its economy.

Public opinion has been increasingly won over to the need for reform to Japan's outdated agricultural system or to the relationship between government and the private sector. But the will to confront such sensitive issues would probably not have arisen without outside pressure.

The people who made the Uruguay Round



Sir Leon Brittan, EU trade commissioner (above), and his American counterpart, Mr Mickey Kantor, are both 54-year-old lawyers of Lithuanian Jewish origin. But otherwise they have little in common.

Sir Leon, a former minister in Mrs Margaret Thatcher's cabinet, cultivates a languid superiority that has not always served him well in Brussels, despite his acknowledged intellectual gifts and prodigious hard work.

After a sticky start, he and Mr Kantor managed to put their relationship on a workable footing.

Over the course of this year the two men met a dozen times to thrash out key Uruguay Round issues, knowing that responsibility for the success of the Round lay on their shoulders.

Sir Leon's insistence in tackling French trade obstinacy head-on could have jeopardised united EU support for the Round and raised questions on his political touch.

But Sir Leon finally persuaded Paris that he was an impartial and tough champion of European interests, despite being British and therefore a suspect "Anglo-Saxon".

Pulling off a Gatt agreement will do wonders for Sir Leon's reputation in Brussels and will serve him well in his candidacy for the EU's top job of Commission president when Mr Jacques Delors stands down at the end of 1994.

Mr Peter Sutherland (right), a pugnacious former rugby player and EC competition supremo, became Gatt director-general from July 1993. He used a potent mixture of Irish eloquence and, in his own words, "putting in the jackboot" to cajole and bully governments into closing the Uruguay Round deal.

He criss-crossed the globe to meet political leaders, key officials and opinion-formers in every important trading country.

In speech after speech he hammered home the message that the Uruguay Round was essential to world economic security and that failure would be catastrophic. Governments believed him.

Mr Sutherland has described his Uruguay Round role as a facilitator but this scarcely does justice to his energetic "hands-on" approach to securing the final accord. He has also been an active champion of the interests of the poorest developing countries.

Mr Sutherland can now look forward to becoming the first head of the World Trade Organisation, on equal terms with his counterparts at the IMF and World Bank.

A spry septuagenarian and competitor for Gatt's top job this year, Mr Julio Lacarte-Muro (above), could be called "father of Gatt". He was in on negotiations which established Gatt in 1947, becoming deputy executive secretary of the organisation at its inception. During three tours of duty as Uruguay's Gatt ambassador in Geneva, he was chairman of Gatt's governing council and of the contracting parties (members). He has taken part in all eight trade-liberalising Gatt rounds, and was instrumental in persuading Gatt members to choose Punta del Este – the fashionable seaside resort where he has a holiday home – to launch the Uruguay Round in 1986. As Uruguay's chief negotiator in the latest Round, he played an influential role in securing the backing of Latin American countries for an open multilateral trading system.

The wheel came full circle for him when this autumn he was made a "friend of the chair", mediating on Mr Sutherland's behalf in difficult negotiations on creation of a World Trade Organisation. An International Trade Organisation was centrepiece of the 1948 Havana Charter which he helped draw up, only to see it vetoed by the US Congress.

A lawyer described as a "relentless negotiator", Mrs Carla Hills (above) combined tough rhetoric with a tempering sense of realism as US trade representative from 1989 to 1993. While threatening trading partners with the "crowbar" of unilateral action to open up their markets, she used these powers with marked restraint. While frequently intoning that no agreement was better than a bad agreement, she worked unfailingly for a Uruguay Round settlement.

"The Uruguay Round will remain his personal legacy to the world," Mr Peter Sutherland said of his predecessor in the job, Mr Arthur Dunkel (above). The final package of Uruguay Round rules – on everything from textiles to trademarks – follows in large measure the "Dunkel draft" of December 1991.

The former Swiss trade negotiator was also instrumental in persuading developing countries to fall in with US demands in the mid-1980s for a new trade round and in ensuring a fair hearing for their concerns. When the talks broke down over farm trade at the mid-term review in Montreal in 1988, it was Mr Dunkel who got the show back on the road. Mr Dunkel once said that one of his qualifications for the job was being Swiss – supposedly neutral and not likely to offend anyone. Yet this chainsmoking workaholic proved a shrewd diplomat, a skilful mediator and an able advocate of freer trade.

Mr Bill Brock (above) became US trade representative in 1982 and quickly became the foremost advocate of a new trade round. He was first to insist the round should include such issues as services, intellectual property and investment, as well as traditional areas such as tariffs. This line, pushed by his successor, Mr Clayton Yeutter, not only prevailed but has resulted in more comprehensive agreements than Mr Brock can have dreamed of.

Brazil's Gatt ambassador immediately before and after the Uruguay Round launch in 1986, Mr Paulo Nogueira Batista (left) is remembered as the man who tried on every possible occasion to sink the negotiations – and failed.

With his inseparable companion- in-arms, Mr Shrirang Shukla, India's Gatt ambassador, Mr Batista fought tooth and nail to keep the new issues of services, intellectual property and investment measures off the Uruguay Round agenda.

"In the beginning Mickey wanted to look dangerous, to show he was not afraid of breaking some furniture," says a US acquaintance of Mr Kantor, the US trade representative (left). Whatever the reason, early pronouncements of this trade novice and former Clinton campaigner instilled anxiety around the world.

Imposition of punitive duties on steel (though initiated by the Bush administration) and sanction threats against the EU over government procurement raised fears that, with Mr Kantor in charge, the Uruguay Round was a dead duck.

The pessimists were wrong. With completion of the Uruguay Round a key component in President Bill Clinton's emerging geopolitical strategy, the baseball-loving lawyer defined his job as securing the best possible settlement for the US. He proved a flexible negotiator, if a tough one.

Mr Kantor and Mr Clinton have already proclaimed the Uruguay Round "a victory for the American people" and begun the necessary selling job to Americans and their representatives.

Developing countries ponder the fruits of trade accord

By Edward Balls

THIRD WORLD

Only when the Genevan dust has settled, and the details of the Uruguay Round agreement are finally available, will developing countries be able to assess whether they have granted more trade concessions, on the Gatt's conventional mercantilist calculus, than they have gained in return.

Late last month, the Gatt secretariat produced a report, which appeared to suggest that developing countries had made substantially greater trade concessions than their developed country partners. But trade sources in Geneva report, however, that new tariff reduction offers were arriving right up to the Round deadline and that the final outcome is likely to be significantly more liberal.

Mr Balkrishan Zutshi, India's ambassador to the Gatt, is less sure. He certainly believes that his country has given more than it got. He says that India has cut its average trade-weighted tariff for non-consumer industrial goods by 55 per cent, albeit from a high base, while the European Union cut its average tariff to India by 22 per cent and the US by 18 per cent.

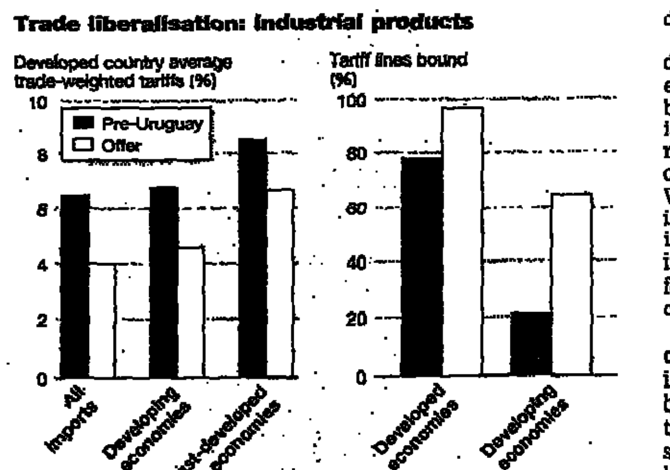
"As far as market access is concerned, there is a feeling that developing countries have put in more than they've got in return," he says.

In New Delhi, Indian deputies paralysed parliament yesterday in protest over New Delhi's endorsement of the trade deal but agreed that there was little they could do to reverse the decision.

The ambassador's sentiment seems to be borne out by early Gatt estimates. Using figures based on offers made up to November 19, the secretariat estimates that the percentage of developing country industrial exports now subject to tariff bindings has risen from 21 per cent to 65 per cent, while agricultural tariff binding has risen even more dramatically from 17 per cent to 89 per cent as a result of the Round. Developed country binding percentages remain higher but the increases are much less dramatic.

In return, developing countries appear to have got less in return than richer countries from developed country liberalisation. The average trade-weighted tariff on industrial imports to developed countries has fallen, based on provisional Gatt figures, by 38 per cent as a result of the deal. But average tariffs on imports from developing countries have fallen 32 per cent while the tariff on least-developed country imports has fallen by just 19 per cent and remains some two-thirds higher than that on developed country imports.

Trade liberalisation: industrial products



Source: Gatt

One reason for these rather dramatic figures, Gatt officials explain, is developed country barriers to textile trade embodied in the Multi-Fibre Arrangement, now due to be phased out over the next ten years. When the effective tariff rates implied by MFA quotas are included, or textile and fish imports excluded, the picture for developing countries looks considerably better.

Moreover, Gatt officials point out, simple comparisons of tariff cuts fail to appreciate the benefits to developing countries of the accord: the strengthening of the rules-based world trading regime and the domestic gains from cutting national trade barriers. A recent OECD study of the welfare effects of liberalisation estimates non-OECD countries would gain $29.9m if OECD countries alone cut their trade barriers, but $86.4bn if non-OECD countries also liberalise.

Indeed, the most dramatic change during the Uruguay Round has been the switch in the attitude of developing countries, including India, from opposing reductions in trade barriers to unilaterally cutting their own tariff barriers in order to foster export-led growth. Ironically, it has been developed countries which have dragged their feet over making the concession necessary to reach agreement.

"Back in 1986 we had two superpowers, the Berlin wall, developing counties had not embraced the process of autonomous liberalisation and industrialised countries were not in recession," says Mr Balkrishan Zutshi. "The Uruguay Round has been completed in a very different world."

N-plant gets go-ahead for reprocessing

By Bronwen Maddox and Roland Rudd

The government finally gave the Thorp nuclear reprocessing plant the go-ahead yesterday, ending nearly a year of controversy over the project.

The £2.8bn plant, which has taken nearly 10 years to build, is designed to reprocess used nuclear fuel from reactors, extracting the reusable uranium and plutonium.

Japanese and German power utilities, Thorp's main foreign customers, greeted the decision with relief. Mr Kohji Kaneko, general manager of the Federation of Electric Power Companies, said: "We're glad that the government has decided as we had hoped."

Dr Thomas Roser, chief executive of the German Atom forum, the main lobby group for the nuclear industry, said he welcomed the decision.

Mr John Gummer, the environment secretary, told the House of Commons that "there is a sufficient balance of advantage in favour of the operation of Thorp."

The decision, which settles one of the thorniest questions of industrial policy facing the government, was immediately condemned by environmental groups and opposition MPs.

It now faces a final threat of judicial review from Greenpeace, the environmental pressure group, which has dedicated much of its campaigning energy this year into attacking Thorp.

In rejecting calls for a public inquiry Mr Gummer said he was satisfied that there are "no issues raised which would cause us to believe that further consultation or debate is necessary".

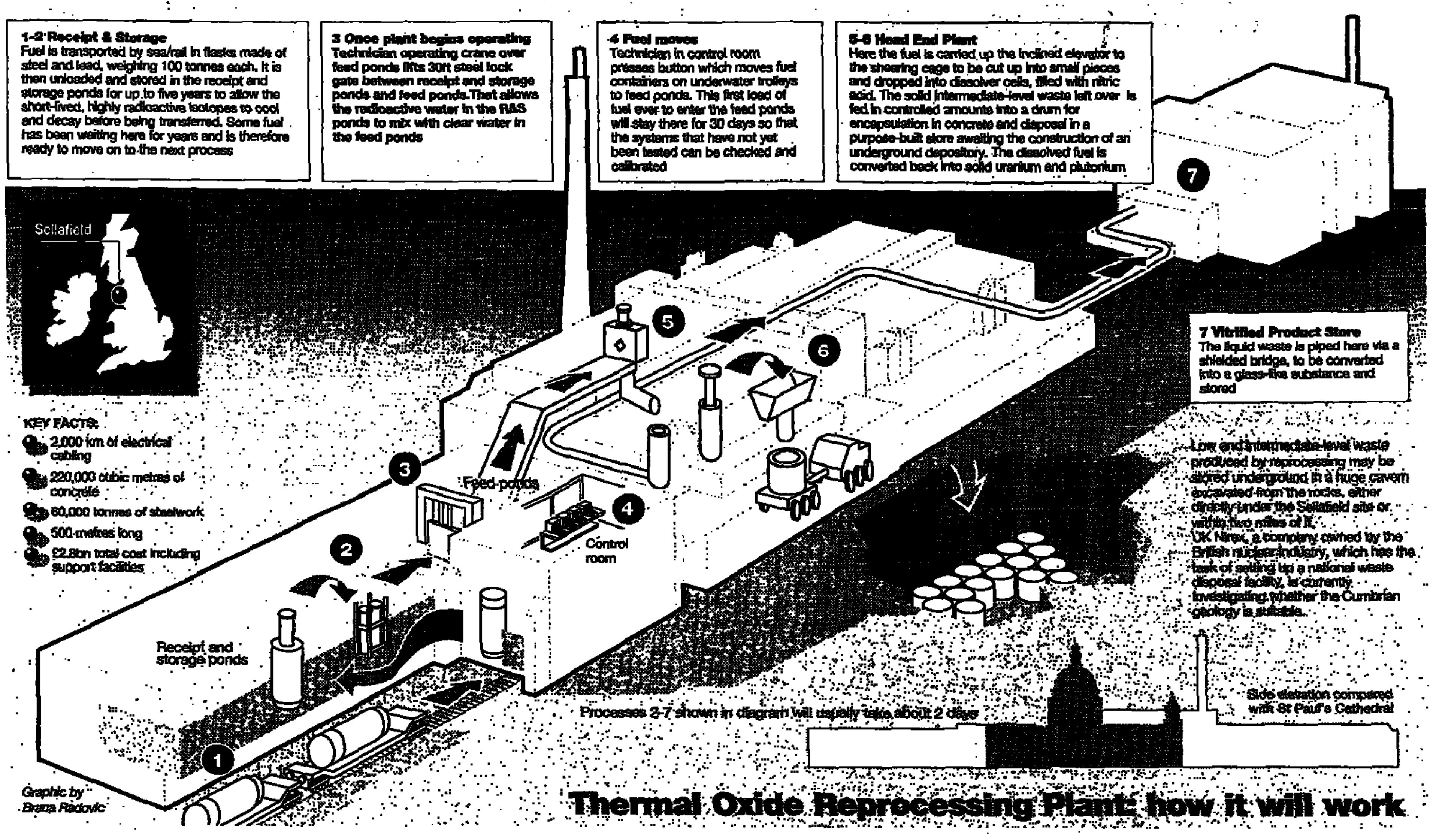
But the government told BNF yesterday that it would have to report each year on plans for further reductions in radioactive emissions.

Mr John Guinness, chairman of BNF, who yesterday "warmly welcomed" the decision, said: "No other industrial activity has undergone such detailed and wide-ranging public scrutiny over the past 16 years as Thorp. The plant has faced three parliamentary debates, two public consultations, and intense Media coverage and analysis".

Mr Simon Hughes, centre party Liberal Democrat spokesman, said: "Giving the go ahead to Thorp without an independent public inquiry is dangerously wrong, undemocratic and possibly illegal".

The government also rejected the opposition Labour party's calls for the publication of a BNF internal report commissioned from accountants Touche Ross, which is the basis for BNF's claims that the plant will be profitable.

Mr Gordon MacKerron, an energy economist at Sussex University who has criticised BNF's claims, said: "The economic case is extremely fragile."



1-2 Receipt & Storage
Fuel is transported by sea/rail in flasks made of steel and lead, weighing 100 tonnes each. It is then unloaded and stored in the receipt and storage ponds for up to five years to allow the short-lived, highly radioactive isotopes to cool and decay before being transferred. Some fuel has been waiting here for years and is therefore ready to move on to the next process

3 Once plant begins operating
Technician operating crane over feed ponds lifts 30ft steel lock gate between receipt and storage ponds and feed ponds. That allows the radioactive water in the R&S ponds to mix with clear water in the feed ponds

4 Fuel moves
Technician in control room presses button which moves fuel containers on underwater trolleys to feed ponds. This first load of fuel ever to enter the feed ponds will stay there for 30 days so that the systems that have not yet been tested can be checked and calibrated

5-6 Head End Plant
Here the fuel is carried up the inclined elevator to the shearing cage to be cut up into small pieces and dropped into dissolver cells, filled with nitric acid. The solid intermediate-level waste left over is fed in controlled amounts into a drum for encapsulation in concrete and disposal in a purpose-built store awaiting the construction of an underground depository. The dissolved fuel is converted back into solid uranium and plutonium

7 Vitrified Product Store
The liquid waste is piped here via a shielded bridge, to be converted into a glass-like substance and stored

KEY FACTS:
- 2,000 km of electrical cabling
- 220,000 cubic metres of concrete
- 60,000 tonnes of steelwork
- 500 metres long
- £2.8bn total cost including support facilities

Low and intermediate-level waste produced by reprocessing may be stored underground in a huge cavern excavated from the rocks, either directly under the Sellafield site or within two miles of it.
UK Nirex, a company owned by the British nuclear industry, which has the task of setting up a national waste disposal facility, is currently investigating whether the Cumbrian geology is suitable.

Processes 2-7 shown in diagram will usually take about 2 days

Side elevation compared with St Paul's Cathedral

Graphic by Brana Radovic

Thermal Oxide Reprocessing Plant: how it will work

Germany and Japan welcome go-ahead

By Emiko Terazono in Tokyo, Quentin Peel in Bonn and Bronwen Maddox in London

The Thorp go-ahead was welcomed in Japan and Germany, the countries which will be the plant's biggest foreign customers. But it is likely to dismay environmentalists and feed concerns – particularly in the US – about the transport of nuclear products around the world and the proliferation of nuclear weapons capability.

Mr Yasutaka Moriguchi, director at the Science and Technology Agency's nuclear fuel division, said the decision meant Japan could now implement its nuclear policy as originally scheduled.

"We're glad that the government has decided as we had hoped," said Mr Kohji Kaneko, general manager of the Federation of Electric Power Companies.

The launch of Thorp would not lead to proliferation as long as the countries which have contracts with Thorp acted responsibly, he said.

BNFL's control over the amount of plutonium reprocessed at Thorp would prevent the problem of unneeded plutonium leaving the plant.

However, Mr Tadatoshi Akiba, one of the group of Japanese MPs opposing the launch of Thorp, regretted the decision and hoped there would be time to reconsider it. In Germany, the decision came as a relief to the German electricity utilities – including RWE, the country's largest electricity generator – which have contracts for reprocessing at Sellafield.

But it is a blow to the anti-nuclear movement, which had hoped that blocking the recycling of nuclear fuel would bring the entire nuclear power generation industry to a halt.

Dr Thomas Roser, chief executive of the German Atomforum, the main lobby group for the nuclear industry, welcomed the decision last night. "Competition is always good for business," he said, referring to the fact that France's Cogema will not now have a monopoly on reprocessing.

But he left open the question of whether German utilities would place further orders for the second decade of Thorp's life. He said nobody knew if the alternative of direct disposal would be cheaper.

German utilities have planned to reuse some of the reprocessed fuel by converting it into mixed-oxide fuel elements (MOX).

However the Siemens plant at Hanau built to do this has been prevented from operating by the local Social Democrat-Green government. The German utilities are now likely to ask Cogema, or BNF to produce MOX.

BNF sees £500m profit for new plant

By Bronwen Maddox, Environment Correspondent

British Nuclear Fuels has won the decision it wanted, although a year later than it had hoped. The delay, BNF claims, has cost it more than £100m. Where does the government's granting of a licence now leave the company's commercial prospects?

One of the main factors behind the yesterday's decision, ministers made clear, was that they accepted BNF's economic case for the plant. BNF has claimed that Thorp will earn the UK £900m in the first ten years of operation. BNF also says that Thorp will make it £500m profit in that period even after taking account of construction and decommissioning costs.

BNF has stressed throughout the debate that it regards these estimates as conservative. It points out that it has customer orders to run at full capacity for the first ten years, and already has orders for more than 40 per cent of capacity in the second decade.

BNF says it expects to win more orders for reprocessing for the second decade. Japanese utilities are among its main hopes; although Japan's own reprocessing facility now under construction could be in operation by then, Japan may not have the capacity to reprocess all of its spent fuel.

In the longer term, BNF hopes that it can build on its expertise from Thorp to sell "nuclear waste management services" internationally. It may try to get work helping clean up US military sites, or decommissioning and decontaminating eastern European and former Soviet reactors.

However critics say that these hopes are unlikely to be fulfilled. They argue that it will be hard for BNF to win new business for Thorp because cheaper alternatives to reprocessing have emerged – like dry storage.

Mr Gordon MacKerron, energy economist at Sussex University, says "I do not believe that there is any likelihood of more contracts beyond the first 10 years – customers no longer see any economic reason to reprocess because of its cost". The worst outcome for BNF is that it fails to get new customers, and that existing customers pull out. Critics have suggested that some might be tempted to do this for political as well as economic reasons.

Now that the uncertainty over the plant's future has been lifted, BNF is in a position to test its belief that more business is waiting out there for Thorp. It may take years longer, however, to establish whether the fears of Thorp's critics about the economics of the plant were justified.

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Nissan UK faces strict controls

By Kevin Done, Motor Industry Correspondent

Strict controls have been placed on the future conduct of business by Nissan UK, the troubled former importer/distributor of Nissan cars in Britain led by Mr Octav Botnar, under the terms of a High Court order agreed yesterday in London.

The Inland Revenue, which is seeking repayment of up to £238m from Nissan UK, issued a petition last month for the winding up of the company. This was followed by the immediate appointment of provisional liquidators.

Under yesterday's order, the appointment of the liquidators has been withdrawn, but Nissan UK, which is at the centre of Britain's biggest ever tax fraud, has agreed to onerous conditions on its future business operations.

The winding-up petition was sought by the Inland Revenue last month in order to prevent NUK, now largely a property company, from disposing of its remaining assets prior to the resolution of its tax claim against the company.

Action on the Revenue petition, which will remain before the court, will now be postponed until:

- The appeal by Mr Michael Hunt, a former NUK director, has been heard against his conviction and eight-year prison sentence for his part in a conspiracy to defraud the Inland Revenue of £55m in corporation tax.
- NUK's appeal against the Revenue's tax claims has been resolved.

It is understood that NUK made payments in gold bars worth several million pounds earlier this year to Mr Botnar and to Mr Hunt.

The company, which was deprived of the lucrative Nissan franchise by Nissan Motor, the Japanese carmaker, at the end of 1991, reported net assets of £96.6m at the end of July 1992, but it had made no provision for the contingent liability of the Revenue's £238m tax claim.

Under the terms of yesterday's order:

- All NUK "books, records and documents" are to be removed and lodged with Jeffrey Green Russell, NUK's London solicitors.
- The entire issued share capital of Nissan UK is to be transferred from Nissan UK Holdings, whose ultimate parent company is the Panama-incorporated European Motor Vehicles Corporation, to the four directors of NUK.

Mr Botnar, 80, who remains chairman of NUK and AFGH, has been living in Switzerland and has not returned to the UK since January 1992, when a warrant was issued for his arrest.

World-class hospital gets key funds

By Alan Pike, Social Affairs Correspondent

The government is intervening in the National Health Service market to ensure that London's University College hospital survives.

Uncertainty over the hospital's future had been raised by a decision of Camden and Islington health authority, its main local purchaser of health care, to divert contracts to cheaper alternative hospitals.

But Mrs Virginia Bottomley, health secretary, said yesterday that the government was committed to retaining University College for strategic accident and emergency purposes and as a world-class centre of medical teaching and research.

The hospital will receive government transitional funding next year, and talks will take place with the health authority to ensure that some local services are retained there. It will become the main centre for specialist cancer and cardiac services in north central London.

Mrs Bottomley, announcing the first phase of decisions following the recommendations of the Tomlinson report on London hospitals, has decided to close the accident and emergency department at St Bartholomew's hospital in the City. A minor injuries clinic will replace it, and a number of specialist services will remain at Bart's for some years. But, in spite of a long campaign against closure, the hospital's services will gradually transfer to the Royal London site in Whitechapel.

There will be a £25m capital development to extend the Homerton hospital in Hackney and funding to enable the troubled London Ambulance Service to replace one-third of its accident and emergency fleet with 120 new vehicles.

A series of other decisions on London hospitals, including the future of the Royal Marsden cancer centre in Chelsea, will not be taken until the new year.

Gatwick railway service looks at ups and downs

By Charles Batchelor, Transport Correspondent

The Gatwick Express, the first British Rail service set for privatisation, yesterday disclosed the pains and the pleasures of operating as an independent company.

The company, which operates the London to Gatwick Airport rail link, is eight weeks into a six-month "shadow franchise" intended to establish a financial record for the business. It announced buoyant volumes of business, tough competition from other parts of BR and the discovery of a rogue £1m item in the budget inherited from BR.

Managers and staff are keen to stage a management buy-out and believe they could run the line without the need for a government subsidy. The company is "about breaking even" but achieved above-budget increases in the number of passengers carried in its first weeks of independent operation, Mr Robert Mason, managing director said.

He unveiled a new burgundy-red livery for its staff and plans to increase its share of Gatwick to London travel from 15 to 21 per cent. The company carries 10,000 of the 60,000 people who travel daily between the airport and central London with its main competition coming from the 30,000 people who drive their own cars.

Traffic in October and November was boosted by an strong increase in air travellers passing through Gatwick. But competition has come from Network South East's south central division which has taken a 10 per cent share of the rail market.

When Gatwick Express prepared its accounts separately from those of British Rail it discovered £1m with no clear allocation in its budget. "We didn't know what it was for," said Mr Mason. The company has identified direct operating costs of £17.2m while further spending on infrastructure costs and the leasing of space at stations are about £8m, roughly equal to its annual revenues of £25m.

A priority is to increase productivity but it has 28-year-old locomotives and 19-year-old coaches. The company is looking to lease new rolling stock but is concerned at talk of seven year franchises.

Britain in brief

Watchdog boost for generators

Professor Stephen Littlechild, electricity industry regulator, said that he would not need to refer the UK's two main generators to the Monopolies and Mergers Commission providing he could reach agreement with them on plant disposals and prices.

He said he had definitely decided to take some action following his inquiry into the generators' margins and costs. He said that he expected to be able to decide by mid-January whether a reference to the commission, which in July he promised to rule on this year, would be necessary.

In his statement, Prof Littlechild said he had written to the electricity pool, the wholesale market through which power is traded in England and Wales, to urge early examination of several reforms including changes to the pricing mechanisms.

Some analysts interpreted the statement as welcome news for National Power and PowerGen arguing that his choice of words implied that his preference was for avoiding a referral.

Violent crime tariff scheme

A new scheme for compensating the victims of violent crime based on a tariff of fixed payments for particular types of injury was outlined by the government.

The tariff, covering 200 different injuries based on typical payments to victims in the past, ranges from £1,000 for a broken nose or chipped tooth to £250,000 for permanent brain damage or quadriplegia.

Inflation at 26-year-low

Lower prices of food, second-hand cars and alcoholic drinks were behind the fall in the Treasury's preferred measure of underlying inflation to its lowest level for 26 years.

The retail prices index excluding mortgage interest payments rose in the year to November by 2.5 per cent, after 2.8 per cent in the 12 months to October.

The headline inflation rate – the year-on-year rise in the RPI alone – came in at 1.4 per cent last month, the same as in October.

The figures from the Central Statistical Office underline the weakness of price pressures at the retail level.

Retail sales rise again

Retail sales volumes continued their steady rise last month, confirming the view that consumers are slowly helping the economy to recover.

In November sales climbed a seasonally adjusted 0.4 per cent on October, after a revised 0.3 per cent increase the previous month, according to the Central Statistical Office.

Between September and November, retail volumes rose 0.9 per cent compared with the June to August period, after a 1.2 per cent increase in the previous three months. In the year to the last three-month period, volumes were up a healthy 3.6 per cent.

BT operators vote to strike

British Telecommunications operators have voted to strike against proposals to reduce their allowances for working unsocial hours.

According to the UCW media union the reduction in allowances will lead to cuts in unsocial hours payments from a maximum of £3,000 to £900 on top of the basic salary of £9,811 a year.

Some 68 per cent of the 9,078 BT operators in the UK turned out for the vote and 85 per cent of those said they were prepared to take strike action against the cuts.

First industrial wave generator

A £3m wave energy machine is to be installed off the north coast of Scotland next year. The Osprey is a full-scale 2 MW prototype, designed to generate "clean, safe power" in a wide variety of offshore sites.

"This is the first wave power device capable of mass manufacture," said Mr Allan Thomson, managing director of Applied Research and Technology, the Inverness-based engineering company developing Osprey.

"We anticipate a significant level of demand once the current trials are completed," explained Mr Thomson.

Iraq inquiry 'Kafkaesque'

Former minister Alan Clark compared the machinery of government to Kafka as he told the Scott inquiry how he and other senior politicians had been "starved" of vital intelligence material relating to the manufacture of Iraqi arms.

Mr Clark, the former trade and industry minister, described how one company, BSA Machines, had been prosecuted for exporting automatic lathes and grinders to make munitions in Iraq even though the company had the covert support of the authorities.

"The machinery of government had been put into play to make a particular exception on their behalf and they were later prosecuted," he said. "It was like Kafka, really."

Search finds 'boat wreckage'

The search for a Scottish fishing boat missing with its two-man crew off the west coast near Troon was called off tonight after underwater wreckage was located – almost within sight of its home port.

Other fishing vessels which had joined the search for the 45ft Copia located an object on the seabed which they believed to be the missing boat, coastguards said.

Britain seeks US aerospace bid for RAF fleet

By David White, Defence Correspondent

Britain will ask Lockheed, the US aerospace group, to bid for a contract to replace part of the RAF's tactical transport fleet, dealing a blow to a multi-billion-pound European project known as the Future Large Aircraft (FLA).

Officials said the UK might still purchase the FLA at a later stage. But they made clear that, if so, it would be an off-the-shelf deal, and ruled out any UK financial backing for development of the aircraft.

British Aerospace has been pressing the government to rejoin the FLA programme. The UK took part in the initial eight-nation plan in the mid-1980s but withdrew its funding four years ago.

BAe, part of an industrial consortium engaged on feasibility studies for the aircraft, said yesterday it would be forced to leave the project if the British government stayed on the sidelines.

It added that yesterday's statement was "not the end of the story".

France, Germany and other partner nations have been trying to incorporate Britain in the venture, which they regard as a military counterpart to Airbus.

They fear that if Britain buys a new version of the current Lockheed C-130 Hercules transport other European countries will follow. They are hoping for a market of at least 300 aircraft.

BAe's partners in the industrial consortium are Aérospatiale of France, Deutsche Aerospace, CASA of Spain and Alenia of Italy, and associated Belgian, Portuguese and Turkish companies.

The UK decision to invite a tender from Lockheed was announced by Mr Jonathan Aitken, defence procurement minister, in reply to a parliamentary question. Earlier, MoD officials made clear that this would not be a commitment to buy new aircraft, but would enable the ministry to evaluate a purchase against the cost of refurbishing existing aircraft.

Lockheed will be asked to make detailed proposals for both the C-130H model, now in production, and the improved C-130J. The RAF has 62 C-130 aircraft, in service since 1967.

British companies including GEC, Dowty, Westland and Lucas have secured work on the C-130J project.

Hardline Ulster Unionists criticise London-Dublin agreement as 'betrayal' and 'appeasement of the IRA'

MPs back Major in search for end to violence

By Kevin Brown,
Political Correspondent

The UK-Irish declaration on the future of Northern Ireland was given a broad welcome by MPs from all three main parties in the Commons yesterday.

Only a handful of MPs from mainland constituencies expressed reservations about the declaration, and Mr John Major, the prime minister, was given strong support by key backbenchers on both sides.

But the agreement left Northern Ireland's constitutional political parties deeply divided.

It was dismissed as a "betrayal" by the Rev Ian Paisley's hardline Democratic Unionist party, which accused Mr Major of "appeasing the fiendish republican scum".

The British prime minister will be encouraged by the more moderate response of the larger Ulster Unionist party, led by Mr James Molyneaux, which responded with sceptical resignation.

The agreement was welcomed by Mr John Hume, leader of the nationalist SDLP, as "the first step on a road that will remove the bullet and the bomb forever from our small island".

Mr Paisley told the Commons it was "offensive" that the IRA would be allowed to join talks on the province's future three months after ending its campaign of violence. "That goes to the guts of the people of Northern Ireland, and they look upon this as a sell-out act of treachery."

Mr Molyneaux, who was cheered by Conservative MPs as he rose to speak, said the province had been destabilised by the secret talks between the government and Sinn Féin that preceded the agreement.

He said the government could now proceed to govern Northern Ireland as an integral part of the UK "in accordance with the wishes of 85 per cent of its population".

Conservative MPs cheered as Mr Major challenged Sinn Féin, the political arm of the IRA, to accept the challenge to condemn violence and join the political process.

Reaction from the Conservative back benches was largely positive, though a handful of MPs suggested that the agreement represented a weakening of Britain's commitment to Northern Ireland.

Others called for assurances that the fight against terrorism would continue, and urged the government to insist on a surrender of weapons and explosives by the IRA before entering into talks with Sinn Féin.

Mr Andrew Hunter, the influential chairman of the Conservative backbench Northern Ireland committee, said the declaration was "a positive step forward". But there were cheers as he urged the prime minister to "ensure that there is no let-up in the hunt for those who perpetrate violence".

Mr Peter Temple-Morris, a senior Conservative backbencher, said the declaration was supported by the UK-Irish Inter Parliamentary Body, of which he is joint chairman.

Mr Tom King, a former Northern Ireland secretary, said the declaration contained nothing to seriously threaten the interests of any part of the Northern Ireland community.

Few MPs expressed concern about the permanence of the links between Northern Ireland and the UK. However, Mr Tony Marlow, the Conservative MP for Northampton North, said there was "a danger that people will say that the prime minister of the UK is careless with regard to the integrity of the UK".

The declaration was welcomed "with enthusiasm" by Mr John Smith, the Labour leader, and Mr Alan Beith, the Liberal Democrat spokesman.

Most Labour backbenchers also welcomed the declaration. Mr Doug Hoyle, MP for Warrington North – in whose constituency two boys were killed by an IRA bomb this year – said the terrorists would never be forgiven if they failed to respond.

"It is time for all the paramilitaries to lay down their arms," he said.

The declaration was criticised by some Labour left-wingers. Mr Tony Benn, a former cabinet minister, said public opinion in Britain would support talks with Sinn Féin in advance of a cessation of violence.

Mr Jeremy Corbyn, Labour MP for Islington North, said the government should assist the peace process by repealing the prevention of terrorism act, dropping the exclusion order which prevents Mr Gerry Adams, president of Sinn Féin, from travelling to the UK, and withdrawing the broadcasting regulations which prevent transmission of his voice.

Sinn Féin reaction remains uncertain

By Jimmy Burns in Belfast and Tim Coone in Dublin

Sinn Féin, the political wing of the IRA, signalled yesterday that the Major-Reynolds declaration has sparked off an internal debate within the Republican movement which may take some days to resolve.

After the party had held a meeting of its leading officials and councillors at its Belfast offices, it refrained from either supporting or rejecting outright the declaration.

The only public comment on the statement came after the meeting from Mr Mitchel McLaughlin, the party's Northern Ireland chairman. He said that the party would "study in depth" the joint declaration, and compare it with the previous joint proposals of Mr John Hume, leader of the Social Democratic and Labour party, and Mr Gerry Adams, president of Sinn Féin.

Mr McLaughlin added: "Already the general reaction among many nationalists is one of disappointment. This is especially so because of the heightening of expectations in the lead-up to the prime ministerial meeting."

However, reactions within the nationalist community appear to be mixed. This partly explains why Sinn Féin yesterday failed to come out with a more detailed response.

Mr Seamus Mallon, the deputy leader of the SDLP, which 12 weeks ago launched its own joint peace initiative with Sinn Féin, said: "The declaration is very significant indeed. I would ask those in Sinn Féin and the IRA to read this document very, very carefully indeed.

"If they do then they would recognise there are changes of a pretty substantial nature."

Mr Brendan Mulgrew, a political researcher working for Mr Joe Hendron, the SDLP MP for West Belfast, said the declaration would put the IRA's sincerity to the test.

He said: "They have said they want peace to come to Northern Ireland. This offers them the best way of getting out of the violence."

Reynolds wins endorsement from the Dail

By Tim Coone

After weeks of criticism from the opposition benches in the Irish parliament over his approach to the Anglo-Irish peace initiative, Mr Albert Reynolds, the Irish prime minister, yesterday basked in an unusual display of cross-party support.

The three main opposition parties, Fine Gael, the Progressive Democrats and Democratic Left, have been concerned that Mr Reynolds, in pushing hard for an accomodation of nationalist aspirations in the joint declaration, would alienate Unionist opinion in Northern Ireland and exacerbate political tensions and violence there.

Ms Mary Harney, the leader of the Progressive Democrats party, who hitherto has been one of Mr Reynolds' sharpest critics, described the declaration as "fair and balanced."

Mr John Bruton, the Fine Gael leader, congratulated the two prime ministers in reaching an agreement, highlighting the British government's acknowledgement of the right to self-determination in the island of Ireland.

He expressed concern of a "lack of clear time tables or mechanisms" for the resumption of inter-party talks, and expressed hope that the formula for dropping the Republic's constitutional claim to Northern Ireland in the context of an overall settlement "would not be used as an excuse to defer all action on constitutional reforms into the indeterminate future".

Mr Prionsias de Rossa, the leader of Democratic Left, (which was in an earlier guise the political wing of the Official IRA, before the organisation split in the 1970s), paid tribute "to the drafting skills of some of the best brains in both the Irish and British public services". He said that the British government "has gone as far as it is politically possible to go to meet Republican demands in regard to self determination.. If the IRA spurns this opportunity, responsibility for the continuing violence will be seen to rest totally with them".

'The most urgent issue is to remove the causes of conflict'

Full text of joint declaration

1. The Taoiseach, Mr Albert Reynolds TD, and the prime minister, the Rt Hon John Major MP, acknowledge that the most urgent and important issue facing the people of Ireland, north and south, and the British and Irish governments together, is to remove the causes of conflict, to overcome the legacy of history and to heal the divisions which have resulted, recognising that the absence of a lasting and satisfactory settlement of relationships between the peoples of both islands has contributed to continuing tragedy and suffering.

They believe that the development of an agreed framework for peace, which has been discussed between them since early last year, and which is based on a number of key principles articulated by the two governments over the past 20 years, together with the adaptation of other widely accepted principles, provides the starting point of a peace process designed to culminate in a political settlement.

2. The Taoiseach and the prime minister are convinced of the inestimable value, to both their peoples, and particularly for the next generation, of healing divisions in Ireland and of ending a conflict which has been so manifestly to the detriment of all.

Both recognise that the ending of divisions can come about only through the agreement and co-operation of the people, north and south, representing both traditions in Ireland. They therefore make a solemn commitment to promote co-operation at all levels on the basis of the fundamental principles, undertakings, obligations under international agreements, to which they have jointly committed themselves, and the guarantees which each government has given and now reaffirms, including Northern Ireland's statutory constitutional guarantee. It is their aim to foster agreement and reconciliation, leading to a new political framework founded on consent and encompassing arrangements within Northern Ireland, for the whole island and between these islands.

3. They also consider that the development of Europe will, of itself, require new approaches to serve interests common to both parts of the island of Ireland, and to Ireland and the United Kingdom as partners in the European Union.

4. The prime minister, on behalf of the British government, reaffirms that they will uphold the democratic wish of a greater number of the people of Northern Ireland on the issue of whether they prefer to support the union or a sovereign united Ireland. On this basis, he reiterates, on behalf of the British government, that they have no selfish strategic or economic interest in Northern Ireland.

Their primary interest is to see peace, stability and reconciliation established by agreement among all the people who inhabit the island, and they will work together with the Irish government to achieve such an agreement, which will embrace the totality of relationships.

The role of the British government will be to encourage, facilitate and enable the achievement of such agreement over a period through a process of dialogue and co-operation based on full respect for the rights and identities of both traditions in Ireland. They accept that such agreement may, as of right, take the form of agreed structures for the island as a whole, including a united Ireland achieved by peaceful means on the following basis.

The British Government agree that it is for the people of the island of Ireland alone, by agreement between the two parts respectively, to exercise their right of self-determination on the basis of consent, freely and concurrently given, north and south, to bring about a united Ireland, if that is their wish.

They reaffirm as a binding obligation that they will, for their part, introduce the necessary legislation to give effect to this, or equally to any measure of agreement on future relationships in Ireland which the people living in Ireland may themselves freely so determine without external impediment.

They believe that the people of Britain would wish, in friendship to all sides, to enable the people of Ireland to reach agreement on how they may live together in harmony and in partnership, with respect for their diverse traditions, and with full recognition of the special links and the unique relationship which exists between the peoples of Britain and Ireland.

5. The Taoiseach, on behalf of the Irish government, considers that the lessons of Irish history, and especially of Northern Ireland, show that stability and well-being will not be found under any political system which is refused allegiance or rejected on grounds of identity by a significant minority of those governed by it. For this reason, it would be wrong to attempt to impose a united Ireland, in the absence of the freely given consent of a majority of the people of Northern Ireland. He accepts, on behalf of the Irish government, that the democratic right of self-determination by the people of Ireland as a whole must be achieved and exercised with and subject to the agreement and consent of a majority of the people of Northern Ireland and must, consistent with justice and equity, respect the democratic dignity and the civil rights and religious liberties of both communities, including:

- The right of free political thought.
- The right to freedom and expression of religion.
- The right to pursue democratically national and political aspirations.
- The right to seek constitutional change by peaceful and legitimate means.
- The right to live wherever one chooses without hindrance.
- The right to equal opportunity in all social and economic activity, regardless of class, creed, sex or colour.

'Irish unity would be achieved only by those who favour it persuading those who do not'

These would be reflected in any future political and constitutional arrangements emerging from a new and more broadly based agreement.

6. The Taoiseach however recognises the genuine difficulties and barriers to building relationships of trust either within or beyond Northern Ireland, from which both traditions suffer.

He will work to create a new era of trust, in which suspicion of the motives or actions of others is removed on the part of either community. He considers that the future of the island depends on the nature of the relationship between the two main traditions that inhabit it.

Every effort must be made to build a new sense of trust between those communities. In recognition of the fears of the unionist community and as a token of his willingness to make a personal contribution to the building up of that necessary trust, the taoiseach will examine with his colleagues any elements in the democratic life and organisation of the Irish state that can be represented to the Irish government in the course of political dialogue as a real and substantial threat to their way of life and ethos, or that can be represented as not being fully consistent with a modern democratic and pluralist society, and undertakes to examine any possible ways of removing such obstacles.

Such an examination would have due regard to the desire to preserve inherited values largely shared throughout the island or that belong to the cultural and historical roots of the people of this island in all their diversity.

The Taoiseach hopes a meeting of hearts and minds will develop, which will bring all people of Ireland together, and will work towards that objective, but he pledges in the meantime that, as a result of the efforts to build mutual confidence, no Northern unionist should ever have to fear in future that this ideal will be pursued either by threat or coercion.

7. Both governments accept that Irish unity would be achieved only by those who favour this outcome persuading those who do not, peacefully and without coercion or violence, and that, if in the future a majority of the people of Northern Ireland are so persuaded, both governments will support and give legislative effect to their wish. But, notwithstanding the solemn affirmation by both governments in the Anglo-Irish agreement that any change in the status of Northern Ireland would only come about with the consent of a majority of the people of Northern Ireland, the Taoiseach also recognises continuing uncertainties and misgivings which dominate so much of unionist attitudes towards the rest of Ireland.

He believes that we stand at a stage of our history when the genuine feelings of all traditions in the north must be recognised and acknowledged. He appeals to both traditions at this time to grasp the opportunity for a fresh start and a new beginning, which could hold such promise for all our lives and the generations to come. He asks the people of Northern Ireland to look on the people of the Republic as friends, who share their grief and shame over all the suffering of the last quarter of a century, and who want to develop the best possible relationship with them, a relationship in which trust and new understanding can flourish and grow.

'We stand at a stage of our history when all traditions in the north must be recognised'

The taoiseach also acknowledges the presence in the constitution of the Republic of elements which are deeply resented by Northern unionists, but which at the same time reflect hopes and ideals which lie deep in the hearts of many Irish men and women north and south. But as we move towards a new era of understanding in which new relationships of trust may grow and bring peace to the island of Ireland, the taoiseach believes that the time has come to consider together how best the hopes and identities of all can be expressed in more balanced ways, which no longer engender division and the lack of trust to which he has referred. He confirms that, in the event of an overall settlement, the Irish government will, as part of a balanced constitutional accommodation, put forward and support proposals for change in the Irish constitution which would fully reflect the principle of consent in Northern Ireland.

8. The taoiseach recognises the need to engage in dialogue which would address with honesty and integrity the fears of all traditions. But that dialogue, both within the north and between the people and their representatives of both parts of Ireland, must be entered into with an acknowledgement that the future security and welfare of the people of the island will depend on an open, frank and balanced approach to all the problems which for too long have caused division.

9. The British and Irish governments will seek, along with the Northern Ireland constitutional parties through a process of political dialogue, to create institutions and structures which, while respecting the diversity of the people of Ireland, would enable them to work together in all areas of common interest. This will help over a period to build the trust necessary to end past divisions, leading to an agreed and peaceful future. Such structures would, of course, include institutional recognition of the special links that exist between the peoples of Britain and Ireland as part of the totality of relationships, while taking account of newly forged links with the rest of Europe.

10. The British and Irish governments reiterate that the achievement of peace must involve a permanent end to the use of, or support for, paramilitary violence. They confirm that, in these circumstances, democratically mandated parties which establish a commitment to exclusively peaceful methods and which have shown that they abide by the democratic process, are free to participate fully in democratic politics and to join in dialogue in due course between the governments and the political parties on the way ahead.

11. The Irish government would make their own arrangements within their jurisdiction to enable democratic parties to consult together and share in dialogue about the political future. The taoiseach's intention is that these arrangements could include the establishment, in consultation with other parties, of a Forum for Peace and Reconciliation to make recommendations on ways in which agreement and trust between both traditions in Ireland can be promoted and established.

12. The taoiseach and the prime minister are determined to build on the fervent wish of both their peoples to see old fears and animosities replaced by a climate of peace. They believe the framework they have set out offers the people of Ireland, north and south, whatever their tradition, the basis to agree that from now on their differences can be negotiated and resolved exclusively by peaceful political means. They appeal to all concerned to grasp the opportunity for a new departure. That step would compromise no position or principle, nor prejudice the future for either community. On the contrary, it would be an incomparable gain for all. It would break decisively the cycle of violence and the intolerable suffering it entails for the people of these islands, particularly for both communities in Northern Ireland. It would allow the process of economic and social co-operation on the island to realise its full potential for prosperity and mutual understanding. It would transform the prospect for building on the progress already made in the talks process, involving the two governments and the constitutional parties in Northern Ireland. The taoiseach and the prime minister believe that these arrangements offer an opportunity to lay the foundations for a more peaceful and harmonious future devoid of the violence and bitter divisions which have scarred the past generation. They commit themselves and their governments to continue to work together, unremittingly, towards that objective.

December 15 1993

Ulster's history: from Irish kings to an English queen

1169: Norman barons invade Ireland from England. Partial military conquest of Irish kings establishes rule of English crown.

Sixteenth and seventeenth centuries see "plantation" of Ireland by 75,000 British colonists.

1649: Oliver Cromwell leads army to suppress Catholic revolt in Ireland. New wave of plantation of Protestant colonists.

1690: Battle of the Boyne. William III of Orange defeats army of James II ensuring rule of Protestant monarchy.

1791: Inspired by French revolution, society of United Irishmen founded to end rule from Britain.

1801: Act of Union between Britain and Ireland, abolishing Irish parliament.

1850s: emergence of Fenian movement and Irish Republican Brotherhood for Irish independence.

1916: Easter uprising by radical nationalists against continued British rule is defeated.

1921: Ireland partitioned creating catholic majority in south and protestant majority in north. Stormont parliament established.

1921-23: Civil war in Irish Free State over terms of partition.

1937: Ireland adopts new constitution which asserts a territorial claim to Northern Ireland.

1969: Catholic civil rights movement in Northern Ireland repressed, giving rise to first military actions by Provisional IRA.

1972: Stormont dissolved and direct rule from Westminster established.

1974: Sunningdale agreement for power-sharing in province brought down by Unionist opposition.

1985: Anglo-Irish agreement gives Dublin consultative role in Northern Ireland's affairs.

1991: Round-table talks on new political settlement begin.

Nov 1992: Talks process breaks down without agreement.

April 1993: John Hume of SDLP and Gerry Adams of Sinn Fein begin bilateral talks process.

September 1993: Hume-Adams initiative setting out framework for peace passed to two governments.

October 29, 1993: British and Irish prime ministers announce new peace process and offer seat at negotiating table to Sinn Fein if IRA violence ends.

December 15, 1993 Downing Street declaration.

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MANAGEMENT: MARKETING AND ADVERTISING


Trevor Humphries

Countryside on computer: remote outlets are being charted electronically as demand for household goods grows

Mapping out sales to India

Stefan Wagstyl examines a computer system which is set to transform marketing to rural communities

Farming families living in the dusty village of Chajjahpur on the plains of northern India only buy a few dozen bars of soap and packets of detergent a week from Haresh Kumar's shop.

It is five miles from the dirt tracks of Chajjahpur to the nearest metalled road and ten miles to the nearest town. But 700 miles away in Bombay a man with a computer is keeping tabs on Mr Kumar's sales.

With a few taps on his keyboard, Rajendra Aneja can call up a map of India on his computer screen. A few more taps and he gets a blow-up of a single state, then a district, then a group of villages and the roads and tracks which connect them. Points show the location of individual shops. If he chooses, Mr Aneja can pick out Chajjahpur and the small store Mr Kumar inherited from his father as a blob on the map.

As general sales manager of Hindustan Lever, India's largest consumer goods maker and the local affiliate of Unilever, the Anglo-Dutch combine, Mr Aneja is putting the finishing touches to a system which he believes could transform rural marketing in India – and in other large developing countries. By displaying individual villages and roads on an electronic map, he and his colleagues can plot the best way to supply and service a vast network of rural outlets.

Hindustan Lever, which has developed the system over the past three years, is gradually extending the use of computerised maps. Unilever group executives are so impressed with the scheme's potential that they have already offered it to Unilever affiliates elsewhere. "Ours is the only system of its kind in the world," claims Mr Aneja.

Details of the mapping techniques are a commercial secret. But, in general, the information for the maps is gathered mainly by the company's 2,300 stockists – self-employed wholesalers who often work exclusively for Hindustan Lever. They file hand-written sales reports which form the basis of the computer data. The crucial advantage of the map displays is that they enable managers to see at a glance information which would otherwise be buried in separate files.

If the network operates as planned, it will reinforce the crucial bridge between head office managers and the customer – a link which is particularly difficult to maintain in developing countries with large rural populations and poor communications. It will also help Hindustan Lever to bring to bear a formidable range of marketing techniques as – following the partial liberalisation of the Indian economy – the company prepares for full-blown competition with its international rivals, notably Procter & Gamble of the US. Rural markets are mushrooming in India for basic household goods such as packaged foods, soaps, detergents, and cosmetics. In Chajjahpur, population 8,000, there are now 25 shops. With over 600m of India's 900m people living in the villages, the potential demand is enormous. The actual demand is growing fast as some 15m people a year are entering into the cash economy, according to Hindustan Lever. The company estimates rural sales are growing twice as fast as urban – or at about 15 per cent a year.

Hindustan Lever has the country's largest sales network, serving 40 per cent of the population. By 1995 it hopes to serve 70 per cent – reaching every village with a population of 1,000 or more, via its network of stockists. The stockists visit outlets weekly in urban areas and once a fortnight in the villages, bringing goods mainly by van or scooter. In remote roadless districts, suppliers resort to donkeys, camels and even elephants. In urban districts, marketing is mainly carried out through television, radio and newspaper advertisements. But Mr Aneja estimates 400m people, mainly those in small villages, have little or no access to the mainstream media. To reach these people, marketing executives rely heavily on word-of-mouth. Mr Aneja says that when Mrs Indira Gandhi was assassinated news of her death reached even remote villages in six hours. Product information will not travel nearly as fast, but it will be conveyed, for example, by shopkeepers like Mr Kumar in Chajjahpur who travel frequently to buy goods from wholesalers.

Hindustan Lever supports its retailers with direct campaigns in the villages. The group has 1,200 promotion vans, mounted with loudspeakers and painted with advertisements for its best-selling brands such as Lifebuoy soap and Rin laundry soap. When one called in Chajjahpur recently, the salesman's job was to promote Rin. He produced a dirty handkerchief and proceeded to launder it in front of about 20 bored-looking villagers. When he had finished he offered Rin for sale, with a free box of matches. He sold about 10 bars and moved on.

Hindustan Lever also has a fleet of 115 cinema vans, each equipped with a projector and screen. The vans show clips of Indian films interspersed with advertisement films. Mr Aneja says these films are specially-made for rural audiences. The 10-second long television advertisements are too short; villagers need films of at least a minute or two if they are to get the message.

A typical advertisement shows two village wrestlers grappling, one in a snow-white loin cloth the other in a greyish one. Needless to say, the man in white wins. The loser's wife scowls at the winner's and says: "You must have washed his clothes twice." The winner's wife answers: "No. I just used Rin."

Mr Aneja says rural advertisements must carry simple messages. He argues that villagers, like anyone else, will quickly associate with familiar images – scenes from popular cinema films, from religious stories, from dances and folk customs, all work well.

Among the advantages of the new computerised maps is that Hindustan Lever will be able to target its marketing campaigns more accurately.

Executives will be able to plan the routes for the promotional and cinema vans more effectively and to judge the results more easily. As Mr Aneja says: "We have to combine twentieth century methods with the needs of eighteenth century village life."

Campaign king cashes in his contacts book

Lucy Kellaway meets Des Wilson, champion of causes, who now works for the world's biggest PR company

December is shaping up to be a triumphant month for Des Wilson, the irrepressible campaigner. Last week he helped win British shoppers the right to spend their Sundays in the supermarket.

This week he launched Richard Branson and Lord Young on their altruistic bid for the National Lottery licence.

At his new office at Burson Marsteller, the public relations company, Wilson is very busy, and is running late.

His secretary appears, bearing a Des Wilson fact file, containing lists of his campaigning successes, and press cuttings with the most flattering passages highlighted.

It appears that, since joining the world's biggest PR company less than a year ago, he has established a thriving a public affairs department with clients including the Training and Enterprise Councils, Mencap, and Investors in People.

Wilson is in high spirits. "I've gone from one success into another," he says. "Every agency in London would have liked the lottery business". He claims that Branson and Young – like nearly all his other clients – were so intent on having Wilson work for them that they did not even ask other agencies to pitch.

The man who says this looks a little shambolic. He has twinkling eyes and talks in a flat low voice, a bit like John Major with a New Zealand accent.

The combination of unassuming manner and bragging script is effective: you listen to the tales and are inclined to believe them.

One of his latest stories is how the joint founder of Shelter, the charity for the homeless, and the ex-chairman of Friends of the Earth, came to be working for Burson Marsteller. "I always said that when I reached 50 I would move into the private sector. I had no pension and no savings and I had reached the end of the road. You can't go on raising one cause after another."

He was just ready to move two years ago when he was invited to lead the Liberal Democrat election campaign. "It was like an athlete who thought he was at the end of his career being approached by the Olympic committee," is how he puts it.


Irrepressible: Des Wilson

He took the job, declined payment, writing a couple of novels and doing a bit of consultancy on the side to fund his nomadic existance in London hotels.

The campaign may have lost him the support of those Liberal Democrats who felt his ego had got in the way of their own, but it won him an award from the magazine PR Week for his "outstanding individual contribution" to the industry.

It was when he picked up the prize at a black tie dinner last year that he hatched the novel plan to auction his services.

The following day he called the bosses of the six biggest PR agencies. All agreed to see him, and all, he says, expressed interest in his plan.

In selecting his future employer, Wilson says he took four things into account: pay, a seat on the board, interesting clients, and a clause stating that he could turn down any work that clashed with his campaigning past.

The last clause was a typical piece of Wilson media manipulation. He knew that any employer would allow him to refuse accounts on ethical grounds, yet he wanted the clause for his own personal PR. "All the newspapers referred to it," he says. Burson Marsteller scored on all four counts, offering a salary which he says makes him "one of the highest paid public affairs consultants in London".

Des Wilson is in no doubt that he deserves it. "I am selling 25 years of making the political system produce the desired result.

"I also have an exceptional range of contacts. The reporters I knew when I started at Shelter in 1966 are now editors. The back benchers are now ministers. The people I knew in TV are now director generals. I know them all." He describes himself as an "advocate in the court of public opinion", and, on his own admission, works best when the case is a clear one.

On Sunday shopping he realised that the most important thing was to get consumers to write to their MPs, and get store managers to persuade MPs to come and see for themselves. He composed much of the advertising copy himself, unmoved by the apoplectic reaction of the advertising agency.

For the National Lottery, he argues, the first task is to make the bid look credible. So there will be no razzmatazz: this week's press conference was a simple affair held round Richard Branson's hearth. "The usual flamboyancy attached to Richard's or my own campaigns will be lacking," he says. Amid all these triumphs, has anything he has ever worked on gone badly? He shakes his head and looks apologetic. "Sorry," he says.

The growing client list is not merely the result of Wilson's skills and his 90-hour-plus working week. The market for public affairs is growing, and an increasing number of ex-politicians are finding a good living to be made there.

Yet Wilson claims he is feeling no chill wind of competition; instead he is hatching some fancy plans for the future. This New Zealander would like to sell a new idea of Britain, and make the country great again in the eyes of the world. Needless to say, he believes he is just the man for the job.

TECHNOLOGY

Ships bridge the danger gap

Andrew Fisher concludes a series on transport safety with an investigation into innovations that may help prevent sea disasters and give clues to their causes

Safety in travel

On an April night in 1991, an Italian car ferry, the Moby Prince, ran into an oil tanker outside the port of Livorno and 140 people died in the blaze. It was Italy's worst maritime disaster since the second world war. The crew of the tanker, the Agip Abruzzo, survived. But the radio messages sent by Moby Prince went unheeded, both by other ships in the vicinity of Livorno – the accident occurred 2.5 miles out to sea – and on land. One sailor escaped, but the passengers and the rest of the ferry crew died – the lifeboats had been burned and the sea was covered in blazing oil.

The Italian courts are still trying to decide what happened and who was responsible – many on shore and at sea were watching a televised football match.

The judges are faced by a seemingly inexplicable tangle of negligence and even possible sabotage. Evidence of explosives was found on the ferry, whose victims were not discovered until the following day.

Fortunately, tragedies like this are uncommon. But they do emphasise the need for the speedier introduction of advanced technologies and systems on shore and at sea not only to prevent loss of life, damage and pollution, but also to establish the cause of accidents.

Most accidents do not make headlines. Another that did was the sinking of The Herald of Free Enterprise, a UK ferry, off the Belgian coast in 1987 with the loss of 193 lives. Oil-polluting incidents, such as the grounding of the Exxon Valdez tanker in Alaska waters in 1989 or the sinking of the Braer off the Scottish coast a year ago, also gain worldwide attention.

Because not all incidents are reported, statistics may understate the level of casualties. Last year, 246 people were killed or missing at sea and 213 ships lost, according to Lloyd's Register. In 1991, lives lost were much higher at 1,204, with vessel losses at 258.

Since the Herald of Free Enterprise disaster, in which the hold flooded rapidly when the cargo door was not shut, tougher international regulations are being introduced on internal strength and stability in case of damage for roll-on roll-off (ro-ro) vessels.

Because of their cavernous cargo capacity, ro-ros – especially older ones – can become dangerously unstable if not properly handled. There is no evidence that the Moby Prince was defective. But it is proving hard to find out what really happened. Captain Profeta Brandimarte, a marine consultant involved in the investigations, says the response has been blank – "no one saw, heard or did anything".

The investigation would be helped considerably if the ships had been fitted with a recording device, similar to an aircraft's black box. The mystery of the Derbyshire, a bulk carrier which sank in a typhoon off Japan 13 years ago with the loss of 44 lives might also be capable of solution if the events leading up to its disappearance were available on tape; no trace of the ship was found.

Black boxes, or voyage event recorders – much bigger than those on aircraft and able to float free – are among the array of advanced technological equipment being introduced on worldwide fleets and on shore. Others include electronic charts, one-man bridges, databases on the condition of ships (for use by port authorities) and vessel traffic systems in busy areas like the English Channel and Straits of Singapore.

Malek Pourzanjani, head of research at Southampton Institute's maritime division, is a firm advocate of VTS. "This is the way forward – local VTSs are emerging and being formed into regional and perhaps national and international centres." Under forthcoming EU rules, vessels entering European waters will be required to radio their approach and route ahead of their arrival to make it easier for authorities to monitor their movements.

Since nearly all the world's cargoes go by sea, maritime safety is of concern to most governments. The International Maritime Organisation (IMO), a United Nations body based in London, is responsible for drawing up safety and pollution conventions. But it is the 147 member countries which are responsible for enforcing them.

Some are more effective than others. With more shipowners moving to cheaper foreign flags and crews, implementing conventions such as Solas on safety and Marpol on pollution has become harder.

Flag state control, in which governments control vessels flying their flag, does not always work. Hence the increasing emphasis on port state control, in which the port authorities do the job.

Apart from the proliferation of flags and ship classification societies – there are around 50 of the latter – another problem is the increasing age of the world fleet. The shipping industry has had a rough time as a result of over-capacity and the failure of freight rates to provide adequate returns. This discourages new building and leads to vessels being kept in service for longer than desirable.

The average oil tanker is 16 years old and the average bulk carrier 13 years. "The market doesn't pay the appropriate return for transportation," says James Bell, permanent secretary at the International Association of Classification Societies (IACS) representing 11 societies covering 90 per cent of world tonnage.

But commercial and regulatory pressures on owners are increasing. "It makes good commercial sense to operate to the highest quality standards," says Peter Thomas, a director of Britain's P&O Group, whose passenger and cargo fleet is being fitted with voyage recorders. "It affects corporate reputation and profitability."

Other western European fleets are also conscious of safety, both for its own sake and as a part of their image. The recorders are being fitted by Nedlloyd, the Dutch company, on its North Sea Ferries venture with P&O. Developed by P&O's subsidiary Three Quays International and its Broadgate electronics unit, they provide a 24-hour record of radar, position, engine and other data, including conversations on the ship's bridge.

"This gives investigators access to the quality evidence that aircraft have," says Bruce Standring, Three Quays' managing director.

He hopes they will be made mandatory under IMO's safety convention. Also under discussion within IMO is the issue of whether to build up a comprehensive database on the quality of individual vessels for use by ports. This would be along the lines of the one developed by the US Coastguard.

Electronic charts, which are presented on screen and use positioning data from satellites and information from ships' own sensors, are another innovation which owners and seafarers are gradually coming to accept, though international standards are still being worked out. "Until about a year-and-a-half ago, nine out of 10 mariners would have said 'why do we need this?' It was the typical marine attitude – very conservative and anti-technology," says Helmut Lanziner, president of Vancouver-based Offshore Systems.

Now, he adds, it is a $1bn a year business. Instead of having to update charts by hand, with the delays this causes, the task can be done digitally at extreme speed. This is especially important in confined areas such as harbours and channels where most accidents occur. It also means ships need fewer people on the bridge to collect and monitor information.

Hapag-Lloyd of Germany is one company which has adopted the one-man bridge on its container ships. One specially trained person can run the ship, surrounded in a cockpit-type enclosure by all the necessary instruments and indicators.

Yet although the trend is clear, not all shipowners look to the technological horizon. "A casual look round the bridge of a ship shows technology embraced in a piecemeal fashion," Admiral Sir Julian Oswald told a recent conference organised by the Southampton Institute.

"Big heavy levers mingle with microprocessors. It's an environment fit for the ergonomist's black museum." Unfortunately, all too many ships on the world's oceans today still meet this description.

Danger at sea

Source: Lloyd's Register

Kerin Hope on Greek worries over tanker building controls

Troubled oil on Europe's waters

Greece's shipowners have already had to accept tough new safety regulations for tankers as the price of keeping access to the US oil transport market. They are now worried that the UK or even the European Union may adopt equally stringent measures to prevent disastrous oil spills.

Greek owners control 15 per cent of the world's oil tanker tonnage, including a high proportion of very large and ultra large crude carriers (VLCCs and ULCCs). The international tanker fleet amounts to fewer than 3,000 vessels, but its advancing age alarms environmental groups.

Sixty per cent of tankers are more than 15 years old, while most of the VLCCs and ULCCS operated by Greek concerns were built in the mid-1970s.

The Greeks raise technical objections to the US Oil Pollution Act (OPA) of 1990, the law that could become a model for European legislators. Under its provisions, all ships sailing in US waters and built after 1990 must have double hulls, and shipowners face unlimited liability for accidents involving gross negligence.

John Lyras of Granicos Shipping says: "We have to live with the double hull requirement. But the evidence is that it is of limited use in improving safety, and it's costly."

The US law resulted from the Exxon Valdez accident in 1989 which poured more than 25m gallons of oil into Alaskan coastal waters. Many Greek owners believe another disaster on the scale of the Braer wreck off Shetland or the grounding of the Aegean Sea, a Greek-owned supertanker, off a Spanish port – both earlier this year – would mean the introduction of the double hull requirement in European waters.

The Union of Greek Shipowners argues that double hulls, with a cushion of air between the inner and outer steel plating, can reduce oil leakages only if a collision or grounding occurs at low speeds.

If two ships collide at normal cruising speed, the cargo tanks are likely to be ruptured and the tanker is more likely to sink. Also, an explosion is more likely aboard a double-hulled ship in an accident, as the gap is filled with oxygen which reacts with vapour from escaping oil.

"The fact that the Aegean Sea had a double bottom made things worse. When the ship grounded, oil got into the space in between and triggered an explosion. Damage to the ship was more extensive and more oil was spilled than if it had a single hull," says George Banos of Moundreas Shipbrokers.

Fitting a double hull adds at least 15 per cent to the $120m (£80m) cost of building a supertanker, and cuts its carrying capacity by about 20 per cent.

Several large Greek oil carriers, among them the Onassis, Niarchos and Livanos groups, have invested in double-hulled vessels. However, with the shipping industry still in recession, there is little incentive for smaller owners to switch.

The compromise solution advocated by the International Maritime Organisation calls for tankers built after 1994 to have double bottoms and a series of ballast tanks along the length of the cargo deck. But this would not necessarily cut the risk of explosion as a fully-laden tanker would have air in the ballast tanks.

As 80 per cent of tanker accidents are caused by human error, there is some weight in the Greek owners' claims that higher standards of training for both tanker crews and port officials would be as effective as shipbuilding regulations.

Also, technologically advanced navigation assistance in congested international waters could reduce the possibility for collisions and groundings. "What is needed is a shore-based electronic system, similar to an air-traffic control system, that takes account of the limited ability of a ship to manoeuvre in difficult weather," Lyras says.

PEOPLE

Simonds-Gooding: new campaign

Back in October, when Anthony Simonds-Gooding (right)joined the board of Lilliput, one of the UK's leading manufacturers of miniature collectables, he acknowledged that his non-executive post was "intriguing" but hardly stretching. He enigmatically told this column to "watch this space".

Today the space has been filled, with the news that he is joining the advertising agency Still Price Lintas as its executive chairman, from January 17. At the same time Richard Hytner, 34, has been appointed chief executive officer of the agency, which is part of Lintas Worldwide, the world's eighth largest advertising network. Chris Still, one of the agency's founders, relinquished his chairmanship in April this year and left to form another company.

Simonds-Gooding's connections with Lintas go back a long way. In his 13 years at Unilever he spent 18 months at Lintas working on Lever products. "I worked out when I met the Lintas board recently that when I last worked at Lintas, the average age of the current Still Price Lintas board members must have been about 10. So the board today is now a combination of beauty, youth and wisdom," says Simonds-Gooding, aged 55.

When in 1989 he resigned from Saatchi and Saatchi as group chairman and chief executive, going on to be chief executive of the then British Satellite Broadcasting, it seemed as though his connection with the world of advertising might be over. And when in May 1992 he took over as chairman of the Design and Art Directors' Association, some felt that it was an indication of retirement, though with the sorry mess he found at D&AD, he certainly had a task on his hands.

D&AD is now in much better shape and clearly he was looking for a more demanding role. Still Price Lintas, which so far this year has achieved net new billings of £25.15m, may well provide that.

Constructive careers

Oliver Whitehead, chief executive of Alfred McAlpine since May, has moved to strengthen the management of the construction and building materials company.

Richard Baldwin, previously managing director of GEC transmission and distribution projects and former main board director of APV, has replaced Peter Hulmes as managing director of McAlpine's important building division. He also becomes a main board director.

In a separate move, two non-executive directors, Sir Alex Alexander, who joined the board in 1978, and Sir Timothy Kitson, with the company since 1986, will retire after the agm in April. Bobby McAlpine, a former chairman, is also expected to stand down next year.

The company had felt that the board was a little top-heavy and needed some fresh faces; it thinks it has a good catch in Andrew Ronn, finance director of Pilkington since 1989.

Garry Forster has been appointed company secretary in place of Gordon Beaumont who remains corporate development officer.

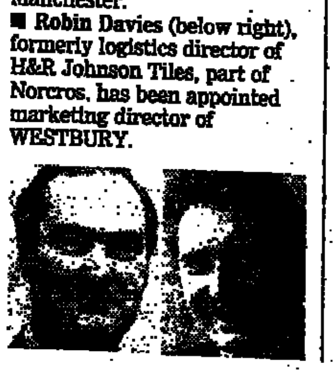
■ **Rick de Blaby** has left Trafalgar House Developments, where he was director responsible for office projects, to join Countryside Commercial, part of COUNTRYSIDE PROPERTIES, as a director.

■ **Keith Lovelock** has been appointed chief executive of McCARTHY & STONE. He has been with the group for eight years and joint managing director since April; John Gray, former joint managing director, has resigned from the board.

■ **Ian Closier**, founder of Herriard Developments, has been appointed a director of FAIRVIEW NEW HOMES.

■ **Richard Piper**, formerly finance director of Logica UK, has been appointed finance director of W.S. ATKINS, which has taken over the PSA Building Management Manchester business. Mike Jeffries (below left) is appointed chairman and md of W.S. Atkins Building Management, based in Manchester.

■ **Robin Davies** (below right), formerly logistics director of H&R Johnson Tiles, part of Norcros, has been appointed marketing director of WESTBURY.



Raid on Paribas

Swiss Bank Corporation and Union Bank of Switzerland have raided the London ranks at Paribas, the French bank, as part of their efforts to boost their presence in the buoyant fixed-income market.

Stephen West, who has run the Eurobond syndicate desk at Paribas for the past seven years, has joined SBC where he will be co-head of the fixed-income syndicate desk with Jonathan Vellacott.

The 34-year-old's appointment is part of SBC's ambition to re-establish itself in the primary side of the ever-expanding Eurobond market, where the volume of new issues has jumped to nearly $400bn this year from $269bn last year.

In the early 1980s SBC was among the top 10 Eurobond underwriting houses but it has slipped to around 15th position as a result of its decision to give a higher priority to developing its derivatives business.

Meanwhile, four prominent members of Paribas's emerging markets team have defected to UBS. They include Tom Priday, head of new issues and syndication, Paul Crean, head of sales, Nick Blakey, trading, and Alexander Mitcheson-Smith, research.

UBS has also appointed John Giannotti to its debt and treasury division as head of origination in Europe; he joins from Bankers Trust International.

Sir John stays on

Sir John Fairclough, a former chief scientific adviser to the government, is to serve a further three years as chairman of the Engineering Council, the umbrella body for the UK's professional engineering institutions.

The council said yesterday that Sir John's second term as chairman would take effect from May 1994. His reselection, agreed unanimously by the council, marks the first time that the chairman has served a second term.

In May, Sir John unveiled controversial proposals for a new relationship between the council and the 42 professional institutions. This could lead to a merger of the institutions into a single body in the second half of the 1990s, although the need for such a radical step is still disputed.

Sir John had indicated that he was prepared to serve a further term so that progress could be made on the unification initiative, and on closely-related moves to review the education and training of engineers.

He said yesterday: "We have made a constructive beginning to develop a proposal to unify the professional institutions and the council into a strong, cohesive, more powerful organisation."

■ **Tony Beechey**, chairman of the British Marine Industries Federation; Philip Daubeny, chief executive of the Electricity Association; Norman Gledhill, director of Metcom, David Hughes, chairman of the Tobacco Industry Employers Association; Richard Oster, chief executive of the Cookson Group; David Parry, vice-president of Interflora; and Jeremy Woolridge, chairman and md of B.E. Wedge Holdings, have joined the CBI's national council.

■ **Lady Wilcox**, chairman of the National Consumer Council, has been appointed a member of the PORT OF LONDON AUTHORITY.

■ **Okkie Grapov**, chairman of Pentow Marine, has been appointed president of the INTERNATIONAL SALVAGE UNION.

■ **Pat Hall**, founder of AHA Construction Services and a visiting lecturer at Bath University, has been appointed chief executive of AVON Tec.

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ARTS

Cinema/Nigel Andrews

The season of turkey leftovers

This is a time of year that begins with great questions of life, death and religion and ends with an entire hungover hemisphere clutching onto trivia. By Boxing Day, the Western world's enquiring mind has usually slid from "What does Christ's birth mean to us?" via "Is commerce spoiling Christmas?" to that final all-parties SOS: "What do we do with the turkey leftovers?".

Sprinkle it with metaphor, though, and even that last question can provide food for thought: especially *for* the world's movie division. What *do* directors do with all the stuff they cannot not find room for in a movie's Version I? *Sometimes*, as in *Cinema Paradiso: The Special Edition*, it is used as re-launch material. The studio cellars are swept for missing footage; *once-plucked scenes, even whole subplots, are grafted back on;* and lo! an arthouse favourite is back in bigger, perhaps better, form.

Then again – worst news first – there are films that consist entirely of turkey leftovers: unimproved and unreconstructed. Mel Brooks's *Robin Hood: Men In Tights* is a scarce-warmed-over spoof on the Sherwood Forest movies that came and went two years ago. This is a long time between source material and mickey-take – two years hence do we get *Christopher Columbus: Crackpot In Codpiece?* – but it is just one lateness among many. *What dismays is that time and fashion* continue their erosion of Brooks's talent to surprise and outrage. Yet even after *Spaceballs* and *Life Stinks he is still* hitting us with the same old jokes like a jester who has lost control of his bladder.

We end on a gag about black sheriffs (see *Blazing Saddles*). We begin with a whole lot of gags about movie-making (see *Blazing Saddles*): from the Saxon villagers complaining *that* their cottages are torched whenever a new Robin Hood film is made to the white-lettered "England" sign perched "Hollywood"-style on the cliffs. And in between we feel like starved house-guests being led through a larder full of mouldy offcuts, gnawed bones *and* corn-fed funny names. There is Will Scarlet O'Hara, Rabbi Tuckman (Brooks), the Sheriff of Rottingham and Marion of Bagel, named to match Robin of Locksley. (*Lox? Bagel? Get it?*) As for Robin's black friend from the crusades, guess what everyone says whenever the name Ah Choo is pronounced.

Let us be quick and merciful. I liked two jokes, maybe three: the horse-lock, the brink-of-battle exchange between Robin and his Merry Men ("Are you with me, yea or nay?"; "Which one means yes?") and Dom DeLuise's turn as a Brando-style Mafia godfather. And let us pat Cary Elwes's Robin *on* the back for looking handsome and heroic and seeming gamely unembarrassed by the jokes.

If *Robin Hood: Men In Tights* is a turkey pre-dismembered by its own director, *Cinema Paradiso: The Special Edition* is a nobler-looking bird, but not without its own odd history of dissection. It *seems* fresh and all-of-a-piece now; but we know that once-missing bits have been stuck back on while we were not looking. You recall the plot. Young Toto grows up in Southern Italian village; falls in love with movies and befriends old projectionist (Philippe Noiret); gets to be played by three different actors (Salvatore Cascio, Mario Leonardi, Jacques Perrin).

The film's first version, we now learn, *dumped an entire romantic coda in which* greyhaired Perrin re-meets the lost girl of his dreams, now grown into actress Brigitte Fossey. Restored, *these scenes plump* the film out to 2¾ hours, inject some emotion into the hitherto stick-like Perrin (he could do with *still* more) and makes the story in all senses "grow up." If the earlier film was a retarded, runaway charmer that never recovered from the disappearance of Toto 1 – chipmunk-faced scene-*stealer Master Cascio* – the new film dares to bring in subjects like Sex, Age and Disenchantment.

Indeed the restoration *of two hitherto* excised love-making scenes adds a whopping irony to the whole *Cinema Paradiso* history. The first movie, you recall, made rude noises about Catholic censorship in *the* character of a priest who insisted on removing all kissing scenes from the films shown in the village. The film's pay-off *was that old Noiret had collected them,* spliced them together and saved them as a deathbed gift for the grown-up Toto.

ROBIN HOOD: MEN IN TIGHTS (PG)
Mel Brooks

CINEMA PARADISO: THE SPECIAL EDITION (PG)
Giuseppe Tornatore

KING OF THE HILL (12)
Steven Soderbergh

DESPERATE REMEDIES (15)
Stewart Main and Peter Wells

Now we learn that *Cinema Paradiso 1* was itself "unsexed": if not through Catholic prudishness, then through a sentimental desire not to let Toto be seen losing his innocence. The new version allows the middle Toto (Leonardi) to wrestle with the agonies/ecstasies of adolescence, from *deflowerment on the cinema floor (with* the village's ageing goodtime lady) to a touchingly surreal chat session with the image of his beloved, her face caught on his movie-camera and projected on his bedroom wall.

An opening title-crawl lists the startling number of prizes this movie has won. It also came top in a British newspaper's recent poll of the Ten Best Films since 1980. But now we have two *Cinema Paradisos*, so what will future polls make of *that? The two movies, far from being* pocket- and family-size versions of the same drama, seem like two different creations. *Both are good, but Cinema Paradiso 2* looks more like the masterpiece for the history-books.

*

If you wore a blindfold through the credits of *King Of The Hill* (opening next week), you would swear on removing it that you were watching a film directed by Robert Redford. Here is a young Depression kid (Jesse Bradford) growing up in St Louis, amid images washed in radical humanism with a *cupful of "Nostalgia" fabric-softener* throw in. One almost hears the director's voice. "Actors in their places! Insert golden lens-filters! *Action!*"

Actually the director is Steven Soderbergh, whose career took off with the prize-winning *sex, lies and videotapes* and then nosedived with the unreleased *Kafka which almost no one has seen. (I have* seen it and can confirm its strange bastard identity: part Gothic thriller, part existential *whimsy, part film crew's holiday in* Prague.)

King Of The Hill is clearly Soderbergh's bid to get his career flying again. But it bellyflopped on take-off in America and we see why. To anxious to please, too cutie-pie-elegiac, it resembles *Billy Bathgate* without the gangsters, or possibly *A River Runs Through It* without the river. Drawn from the memoirs of A.E. Hotchner, quondam Hemingway crony, it provides the peeling boarding house, the feckless inventor Dad (Jeroen Krabbe), the longsuffering asylum-bound Mom (Lisa Eichhorn), the *mocking dog-day afternoons of the 1930s*, and the boy-hero who scampers about town using his wits to bamboozle and breadwin.

No turkey leftovers on screen here; nothing so luxurious. Culinary tips range *from stolen hot dogs to tomato soup* made from mixing ketchup with hot water. But we never feel all this poverty. Suffering so *pretty, sacrifice so gift-wrapped,* down-and-out supporting characters so cocky and colourful – with a Depression like this why did that spoilsport Mr Roosevelt come in with a New Deal?

Also bowing in British cinemas next week is *Desperate Remedies*. Order the video now. The big screen is too big for this *studio-bound, one-joke mockudrama,* in which two new Zealand Directors, Stewart Main and Peter Wells, take the clichés *of romantic fiction and try to flog them to* the finishing post. But just like the joke "horse" ridden by the streaming-haired heroine – a wooden stand-in nag – the film makes a feint of galloping comically along but never really seems to leave the starting post.

There are swirling fog-wreathed sets, a *handsome hunk of a hero* (Kevin Smith) and much campy dialogue ("We are all strangers in this land called love"). But the wit never keeps up with the invocations. Pity. A lovely target – all that effulgent costume twaddle from Gainsborough movies to Cartland novels – still waits to receive its well-aimed arrows.

Theatre/Malcolm Rutherford

Playboy of the West Indies

Plays do not cause riots like they used to. At the opening of *The Playboy of the Western World* in Dublin in 1907, the cast sent a telegram to W B Yeats saying "play great success". At the end of the performance, there was a *second telegram:* "Audience broke up in disorder".

Quite why the audience should have reacted in that way to J.M. Synge's macabre comedy is hard to understand today. Possibly it was because it took a few pot shots at Irish mythology. The characters make a hero out of a man who kills his father: then it turns out that the father is not quite dead, the son tries again, still cannot quite bring it off, and in the end father and son go off happily together. In a word, atavism. Pity we do not have a few Synges around in 1993, poking fun at the IRA.

It was a brilliant idea to transplant the original piece from Ireland to the Caribbean. Mustapha Matura's *Playboy of the West Indies* is not new. The production at the Tricycle is a revival to celebrate the 10th anniversary of the play's first performance at the same theatre. And what a joyous work it is!

Matura's version remains remarkably faithful to the old *Playboy*. Many of the lines are *identical. Synge specialised* in catching the speech rhythms of English spoken by Irish; *Matura does exactly the same* with English spoken by West Indians. Note the way how *people speaking* in a dialect tend to fall into it more deeply when talking to their own kind. The dialect becomes a language in its own right. The Tricycle programme includes a glossary which tells you, for example, that "san-e-man-e-teh" means "without humanity". Clearly the original settlers were not all English.

There is no great problem is adjusting the geography. Where the patricide in the original is offered a ticket to the western states to get him out of the way, here the ticket is from Trinidad to Venezuela – just across the water. Everything else falls into place. The Irish like racing; so do the Trinidadians. There is a background of colonialism, and also a contrast between those who live in towns or villages and those who live in the country. *In these island* cultures there is a similar belief in ancient, perhaps *surviving*, gods.

The direction is by Nicolas Kent just as it was 10 years ago. *He avoids social comment,* but teems with social observation. The Tricycle nowadays tends to have excellent casts: see especially Cecilia Noble as as Peggy (Pegeen in the original) and Cyril Nri as Ken. It has very good sets as well, designed this time by Adrianne Lobel. She provides a wonderful rum bar, which is where the action takes places. this is a production worth going out of your way to see.

Tricycle Theatre, London NW6 (071) 328 1000

Alastair Muir

Brenda Blethyn, Gary Whitaker, Jenna Russell, Sophie Thompson and Barry McCarthy playing The Game

Theatre/Alastair Macaulay

Ayckbourn's Wildest Dreams

One of the themes of Alan Ayckbourn's comedies is power: the power that some people have over others, within a tight little nexus of neighbourhood relationships. The power may be *wielded* generously and without malice – even unconsciously; but upon those who fall under its influence its effect is terrible. In *Wildest Dreams* (1991), now reaching London for the first time, it is the newcomer Marcie who at once exerts her sympathetic and inquisitive influence upon a group of four people. Manically ingratiating, tremendously keen, and *wholly* fixated on whoever she is talking to, she has, within days, changed all four lives – irrevocably.

These four are Stanley and Hazel Inchbridge (*childless,* in their early middle age, sharing a house with Hazel's mini-Hitler brother Austen), Warren (a lonely teenage boffin, convinced that he is a humanoid *alien*) and Rick (an introvert in her early 20s, abused in the past by her mother's lover and then left by both him and her mother). What links them is their weekly meetings to play The Game.

This board game involves them in role-playing in a sub-Tolkien fantasy which unites the four of them against the world (but into which Marcie enters wholeheartedly for a while). This shared fantasy is one of Ayckbourn's most wonderful comic constructions: *ludicrous but dreadfully* credible. And Marcie herself is another of his master-strokes. She really is an alien; and we never understand her.

But her four friends we quickly understand only *too* well; and some of Ayckbourn's finest writing goes into entering *their unhappy private* worlds. His most novel and least comic conception is Rick: *butch and vulnerable, probably* lesbian but powerfully susceptible to male dominance. Her first encounter with Marcie's husband is an extraordinary scene, in which he all too easily slips into the role of the abusive patriarch who bullies and molests her. Rick, like Stanley and Warren, falls in love with Marcie. Yet, even though she comes far closer to Marcie than the men, she too is taken over by her.

Everything else Ayckbourn visits with his characteristic *blend of psychological penetration* and sociological satire. Hazel (who during the play suffers *the breakdown that so* many of this playwright's married women do) has a marvel*lous attack of depression early* in the play: "I sometimes catch myself staring at myself in *that bathroom mirror* and I think – what have you done with that body, Hazel? . . . Look *at it. Shrivelling* and drooping and wasting away – covered in brown spots and warts and wrinkles and what use have you ever made of it? Nothing . . ."

There are passages, especially in the later stages of the tale of Hazel and Stanley, that feel too close to Ayckbourn formula; and the ending, though it has poetic justice, lacks the dramatic tension that rules the first three-quarters of the play. But, though there are umpteen ingredients identifiable from other Ayckbourn, most of them do not feel familiar as you watch.

Two features of this London staging have particular importance. One is that this is the *first time the RSC has performed* an Ayckbourn play. The other is that the play is being *performed* in The Pit, the auditorium that (among London's theatres) most closely resembles the Stephen Joseph Theatre-in-the-Round in Scarborough, for which Ayckbourn creates his plays. All the cast do excellent work. Brenda Blethyn (Hazel), Barry McCarthy (Stanley) and Peter Laird (Austen) create in detail the awful truths of the Inchbridges' home. Gary Whitaker slightly forces Warren's boyish unworldliness. As Rick, Jenna Russell is outstanding, playing this untheatrical and subdued character with utter objectivity.

Playing the vivid humanoid Marcie, Sophie Thompson excels herself. She has here an appalling nervous energy, and a whole musical inventory of nervous laughs: scales and arpeggios upward or downward, mini-trills, and staccati on one note. It is this nervous*ness which makes Marcie* so alarmingly real. How can someone so unrelaxed invade *other people's lives* and *over*whelm them? Yet she can, and does. "And," as Clement Crisp *would say, "we believe."*

At the Pit, 071-638-8891, until March 12; then transferring *to* **the Swan Theatre, Stratford-upon-Avon.**

Recital

Sumi Jo

Sumi Jo's star is very much in the ascendant – front-rank opera houses (Covent Garden among them) are competing for her services, leading record companies are assiduously recording her, and, in London at least, the public has fallen *sufficiently prey to her charms* to fill the Wigmore Hall on Tuesday for her first song recital.

Both in the matter of presence and in exhibition of her exquisitely *cultivated* soprano – with notes pearly-pure, exactly fashioned and placed, *and strung together with the* most delicate art – the tiny Korean has up to now made *perhaps her strongest impression* as the doll in Offenbach's *Tales of Hoffmann*. At more than one moment during this recital, I began to wonder, indeed, whether it were not being delivered, in character, by the Jo Olympia: for, much of the time, the delivery had a curiously mechanical quality.

All trace of human emotion and *involvement was carefully* expunged; all the chosen music was delivered, simply and *insistently, in terms of display.* This worked best, therefore, in the coloratura-canary display-*items, such as Arditi's Il bacio,* in the first half, and the Shadow Song from Meyerbeer's *Dinorah, in the second*. These were pealed off by Miss Jo with expertly schooled facility and no less expertly supported by Malcolm Martineau, her patient, tactful pianist. The skitterings-about high above the staff were prettily done, the echo-imitations well placed; without being patronising, one easily sensed that hereabouts the singer was on *firmest*, most secure artistic footing.

But when it came to the songs by *Rossini*, Debussy and Strauss, her inability to contrive a single shade, nuance or punctuation-point of anything that could be appreciated, let alone described, as "personal *response*" made for a severe limitation on listening pleasure. Words were regularly *turned into mush, whether* Italian, French or German; the notion that (for instance) in *Debussy's settings of Verlaine* poems the verbal images might require equal attention to the musical *seems* not to have entered Miss Jo's head.

In sum, a bizarre experience: I felt badly in need of Hoffmann's rose-coloured spectacles in order to enjoy it the more.

Max Loppert

INTERNATIONAL ARTS GUIDE

ATHENS

Megaron Tonight, Sat, Mon: Alexandros Myrat conducts Georg Rootering's production of *Le nozze di Figaro*, with a cast led by Johannes Schmidt as Figaro. Next Wed: *Andras Schiff plays* Schubert piano sonatas (01-728 2333/01-722 5511)

BOLOGNA

Ballet National de Marseille presents three choreographies by *Roland Petit tonight at Palazzo dei* Congressi. Cologne Chamber Orchestra plays baroque concertos and motets next *Mon at the Teatro* Communale, with soprano soloist Barbara Schlick. The next opera production is *L'Italiana in Algeri*, opening Jan 9 (No telephone bookings accepted. For information, call 051-529999)

FLORENCE

Teatro Verdi MaggioDanza presents Evgeny Poliakov's production of The Nutcracker on Sun, next Tues, Wed and Thurs, with a cast including Alessandra Ferri (055-277 9236)

GENOA

Teatro Carlo Felice Tomorrow, Sat, Sun afternoon and next Tues: *Yoram* David conducts Giorgio Strehler's Milan production of Don Giovanni, with alternating casts including Ferruccio Furlanetto, Cecilia Gasdia and Laurence Dale (010-589329)

LONDON

THEATRE

● Macbeth: Derek Jacobi returns *to the Royal Shakespeare Company* for a new production directed by *Adrian Noble and designed by Ian* MacNeil. Opens tonight (Barbican 071-638 8891)

● *Two Gentlemen of Verona:* the RSC's jazz-age production has moved to the West End for a limited *season* (Haymarket 071-930 8800)

● Aspects of Love: Andrew Lloyd Webber's romantic musical returns *for the Christmas season.* Opens Mon (Prince of Wales 071-839 5972)

● *Me and Mamie O'Rourke:* Dawn French and Jennifer Saunders star in Mary Agnes Donoghue's new comedy *about close friends, already* a hit in New York. Just opened (Strand 071-930 8800)

● *Piaf: Peter Hall directs Pam* Gems' play with music, starring Elaine Paige. Just opened (Piccadilly 071-867 1118)

● Mother Courage: Brecht's portrait of the best and worst in *human nature, in a touring* production starring *Ellie Haddington*. In repertory in the Cottesloe with Tony Kushner's Angels in America *(National 071-928 2252)*

● The School for Wives: Ian McDiarmid plays Arnolphe, Moliere's *most celebrated role, in this rare* London revival of one of the finest, funniest and most affecting French plays. Till Jan 22 (Almeida 071-359 4404)

● *She Stoops To Conquer: Donald* Sinden, Miriam Margolyes and David Essex in Peter Hall's revival of the *evergreen Goldsmith comedy* (Queens 071-494 5041)

OPERA/DANCE

Coliseum The main event in the coming week is the premiere on Mon of David Pountney's new ENO production of Smetana's The Two *Widows*, conducted by Adam Fischer and designed by Mark Thompson, with a cast led by Marie *McLaughlin and Anne-Marie Owens* (repeated Dec 23, 30, Jan 6, 8, 12, 15, 18 and 20). Repertory also includes Figaro's Wedding, Die Fledermaus and Lohengrin (071-836 3161)

Covent Garden The Royal Opera has Tosca tonight and Sat, with Anna Tomowa-Sintow and Sergei Leiferkus. The rest of the Christmas season is devoted to Royal Ballet performances of Peter Wright's *production of Nutcracker and a* double bill of choreographies by Ashton and Balanchine (071-240 1066)

South Bank English National Ballet presents Ben Stevenson's *production of The Nutcracker from* Dec 22 to Jan 22. No performances on Christmas Day or Sundays (071-928 8800)

CONCERTS

South Bank Tonight: Lorin Maazel conducts Philharmonia Orchestra *and Chorus in Verdi's Requiem.* Sat: Music Theatre Wales presents Philip Glass' classic horror story The Fall of the House of Usher. Sun: Mariss Jansons conducts LPO in Verdi, Debussy and Respighi. Mon: Nicholas Kraemer conducts Handel's Messiah. Tues: Gustav Leonhardt *conducts Orchestra and Choir* of Age of Enlightenment in cantatas and concertos by Bach and Corelli (071-928 8800)

Barbican Tonight, tomorrow, Sat: Richard Hickox conducts LSO Christmas concerts. Sun: Hickox conducts LSO and Chorus in Tavener's The Protecting Veil (Steven Isserlis) and Holst's The Planets. Next week's programme *is devoted to Christmas concerts* (071-638 8891)

MADRID

Teatro Lirico La Zarzuela Compania Nacional de Danza is in residence till next Wed with a mixed bill of choreographies by Forsythe, Kylian and Duato. Daily except Mon (01-429 8225)

Auditorio Nacional de Musica Tonight: Humberto Quagliata piano recital. Tomorrow, Sat, Sun morning: Aldo Ceccato conducts Spanish National Orchestra in Stravinsky and Tchaikovsky (01-337 0100)

MILAN

Teatro alla Scala Tonight, Sat, next Wed: *the Nureyev production of* Nutcracker. Tomorrow, Sun afternoon, next Tues and Thurs: *Riccardo Muti conducts Liliana Cavani's new production of La* Vestale. Mon: concert by Orchestra Filarmonica della Scala (02-7200 3744)

NAPLES

Teatro delle Palme Tonight: Alan Curtis directs I Febi Armonici (081-406011)

Teatro San Carlo Tomorrow, Sun, next *Wed: Salvatore Accardo* conducts Hugo de Ana's production of Mosè in Egitto, with Mariella *Devia, Roberto Scandiuzzi and* Rockwell Blake (081-797 2331)

PRAGUE

CONCERTS

Seiji Ozawa and the Boston Symphony Orchestra wind up their *European tour tonight with a gala* televised concert at the Smetana Hall, featuring Itzhak Perlman, Yo Yo Ma, Frederica von Stade and Rudolf Firkusny. Tonight and tomorrow in the Dvorak Hall, Philippe Augin conducts Czech Philharmonic Orchestra in works by Debussy, Boulez and Schumann. Other events over the coming week include a concert of sacred baroque *choral* music on Mon conducted by Oliver von Dohnanyi, a Czech Radio Symphony Orchestra concert on Tues featuring music by Silvie Bodorova and Saint-Saens, and a programme of baroque music with Prague Chamber Orchestra *next* Wed (02-232 2501/02-286 0111)

OPERA

A new production of Dvorak's The Jacobin opens at the National *Theatre on Tues. Repertory over* the *Christmas period includes* The Makropoulos Case, The Kiss and The Bartered Bride (02-205364). Estates Theatre has Die Zauberflöte on Dec 27, 29 and 30 (02-228658). Prague State Opera has repertory performances of Entführung, La *traviata, Fidelio, Jenufa, Cosi fan* tutte and Tosca (02-265353)

ROME

Teatro Olimpico Tonight: Cologne *Chamber Orchestra plays works* by Handel, Pergolesi, Corelli and others, with soprano Barbara Schlick (06-320 1752)

Oratorio del Gonfalone Tonight: Bambini di Praga sing Christmas songs from around the world *(06-687 5952)*

Accademia di Santa Cecilia Sat, Sun, Mon, Tues: Wolfgang *Sawallisch conducts orchestral* works by Spontini, Mozart and Dvorak (06-678 0742)

Universita La Sapienza Sat: gospel concert with Harlem Spiritual Ensemble. Jan 8: Midori violin recital (06-361 0051)

TURIN

Teatro Regio Tomorrow, Sat, Sun, *next* Tues and Thurs: Pinchas Steinberg conducts Luca Ronconi's new production of The Makropoulos Case, with Raina Kabaivanska and *Barbara de Maio alternating as* Emilia Marty. Next Wed: Bruno Campanella conducts Chorus and Orchestra of the Teatro Regio in *a Christmas concert* (011-881 5214)

ARTS GUIDE

Monday: Berlin, New York and Paris.
Tuesday: Austria, Belgium, Netherlands, Switzerland, Chicago, Washington.
Wednesday: France, Germany, Scandinavia.
Thursday: Italy, Spain, Athens, London, Prague.
Friday: Exhibitions Guide.

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Super Channel: FT Reports 1230.
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Super Channel: West of Moscow 1230
Euronews: FT Reports 0745, 1315, 1545, 1845, 2345
WEDNESDAY
Super Channel: FT Reports 1230
THURSDAY
Super Channel: West of Moscow 1230; FT Reports 2130
Euronews 0745, 1315, 1545, 1845
FRIDAY
Super Channel: FT Reports 1230
Sky News: FT Reports 2030
SATURDAY
Sky News: 0330; 1330
SUNDAY
Super Channel: FT Reports 2230
Sky News: FT Reports 1730; 0430

Light in vale of tears

Philip Stephens asks whether the Ulster accord will end violence

History is against them. But Mr John Major and Mr Albert Reynolds are attempting to jettison the past. It is a brave endeavour. It could end in more tears. But they might, just might, succeed.

After 25 years of bloodshed, the provisional IRA has been offered the best chance it may get to extricate itself from its campaign of violence. Some among its leaders will be tempted to take it.

The joint declaration by the UK and Irish prime ministers, announced in the wood-panelled splendour of the state dining room in No 10 Downing Street does not square the circle between the fears of Northern Ireland's unionists and the aspirations of its nationalists.

But then language, no matter how carefully crafted, cannot disguise the realities which divided Ireland and then divided the community in the north of that island.

Nobody looking at the history of Ulster since 1968 – stained by the killing of about 3,000 people and littered with failed political initiatives – could say with confidence that Mr Major and Mr Reynolds have found the philosopher's stone.

Nor could anybody listening to the thundering venom of Rev Ian Paisley, leader of the hardline Democratic Unionist party, underestimate the hatred and mistrust which seeps through the political pores of the province.

When men speak easily of blood and God in the same breath, the normal rules of political judgment must be suspended. There are already mutterings of a backlash by the Protestant paramilitaries against Mr Major's "treachery".

Then there is the IRA, an organisation which seems to have all but lost its *raison d'être* during the past 25 years in an ever more brutal and random killing spree.

Behind the synthetic charm of Mr Gerry Adams, the leader of the IRA's political wing Sinn Féin, are terrorists who will find it hard if not impossible to kick the habit of murder.

So it is not difficult for cynics to place the Downing Street accord among all those other failed attempts to find a political solution to a tribal war.

Even some of his cabinet colleagues are not quite sure whether the prime minister has been naive in falling for what one described this week as the "peace bandwagon".

But Mr Major and Mr Reynolds believe that this time the public mood is running in their favour. Even if the IRA cannot be coaxed quickly to the negotiating table, there is an opportunity to break the acquiescence of the law-abiding nationalist community upon which the gunmen depend.

Sinn Féin kept its counsel yesterday. But producing a document which won the acquiescence of Mr James Molyneaux, the moderate Ulster Unionist leader, and applause from Mr John Hume, leader of the Social Democratic and Labour Party, which is mainly Catholic, was of itself no mean achievement.

The wording is deliberately labyrinthine. But the message is clear

The declaration itself is a tortuous document, showing all the awkward joins inevitable in any paper subject to literally hundreds of hours of word-by-word bargaining. Its central message, however, is relatively straightforward.

Both the London and Dublin governments offer a guarantee that the unionists in Northern Ireland will never be coerced into unification with the republic. As part of an overall political settlement Mr Reynolds is ready to renounce his government's constitutional claim to the north.

London, for its part, acknowledges it is neutral about the aspirations of the Irish nationalists. It has no selfish, strategic, or economic interest in remaining in Northern Ireland. It will not stand in the way of unification if a majority in the province so decide.

But the document is more than simply a synthesis of past public statements or a rewriting of the 1985 Anglo-Irish Agreement. In his recognition of the Unionist veto, Mr Reynolds has become the first Irish prime minister to accept publicly the reality of partition.

In return for the entrenchment of the constitutional guarantee for Ulster, Mr Major has gone further than any British prime minister before him in speaking the language of the Irish nationalists.

To take one sentence from the most hard-fought section of the statement: "The British government agree that it is for the people of the island of Ireland alone, by agreement between the two parts respectively, to exercise their right of self-determination on the basis of consent, freely and concurrently given, north and south, to bring about a united Ireland, if that is their wish."

The wording is deliberately labyrinthine. The demonology demanded it be so. But the message is clear. In return for Mr Reynolds' implicit acceptance of Irish partition, Mr Major has reinforced the studied neutrality of the British government over the ultimate future of Northern Ireland.

The government will not join the ranks of the nationalist "persuaders" but nor will it stand against such persuasion. The door has been opened to those in the Republican movement who want to exchange the bullet for the ballot box. Sinn Féin could have a probationary place at the negotiating table within three months of an end to violence.

British intelligence reports suggest there is a power struggle within the IRA army council between those who want to end the terror campaign and those who are determined to fight on. Neither Mr Major nor Mr Reynolds is sure which side will come out on top.

Mr Molyneaux may find it hard to offer grudging support for the initiative if Mr Paisley succeeds in his aim of mobilising hard-line unionist opinion against the declaration. The Protestant gunmen lurk in the background.

The planned talks designed to shape a political settlement will be a hazardous and protracted affair. There is no guarantee that the statements of principle agreed by the two governments can be turned into new political structures for Northern Ireland.

But Mr Major and Mr Reynolds joined yesterday in insisting that there was no moral alternative to the course upon which they had embarked. Now, it is up to the IRA.

ECONOMIC VIEWPOINT

Don't be so down on jam today

By Samuel Brittan

What is the best way that the British economy can take advantage of the opportunities opened up by the Gatt accord and rise to the challenges of more competition, which are an essential part of the exercise?

There is one answer, which is tempting to the economic elite, among whom there is a consensus that the British people consume too much and are undertaxed. One sees this in City circulars, hears it from Treasury officials and finds it in the conclusions of learned articles. It unites much economic opinion across sectarian lines. The view is upheld by monetarists and Keynesians, Labour and Conservative economists, and many independent analysts who have studied national incomes estimates of different countries.

The case is superficially attractive for those who think that there is something wrong with a country that is different from the international average, or has changed its own behaviour. The top graph shows UK consumption, both private and government, as a ratio of GDP.

There was a temporary bulge in the consumption ratio around the 1974 election at the time of the miners' strike, the three-day week and the oil price explosion. One likely reason is that the wage explosion, following the breakdown of the Heath pay policies, temporarily boosted real pay. After reaching a low point in the late 1970s, following the Labour government's pay policies and the restrictive fiscal and monetary policies associated with the IMF credit, the consumption ratio gradually recovered during the Thatcher years, and then really shot up during the recession years which followed her departure. (It is important to be clear that we are talking about ratios. Private consumption actually fell between 1990 and 1992. But it rose as a proportion of a shrinking or stagnant GDP because fixed investment and stock-building shrank even more.)

If we take a cross section instead of a historical look, a similar picture emerges. The total consumption ratio has always been higher in the UK than that of either the Group of Seven or the European Union average; and the gap has widened – the overall consumption ratio is at about 87½ per cent in the UK, compared with about 80 per cent in these other groups.

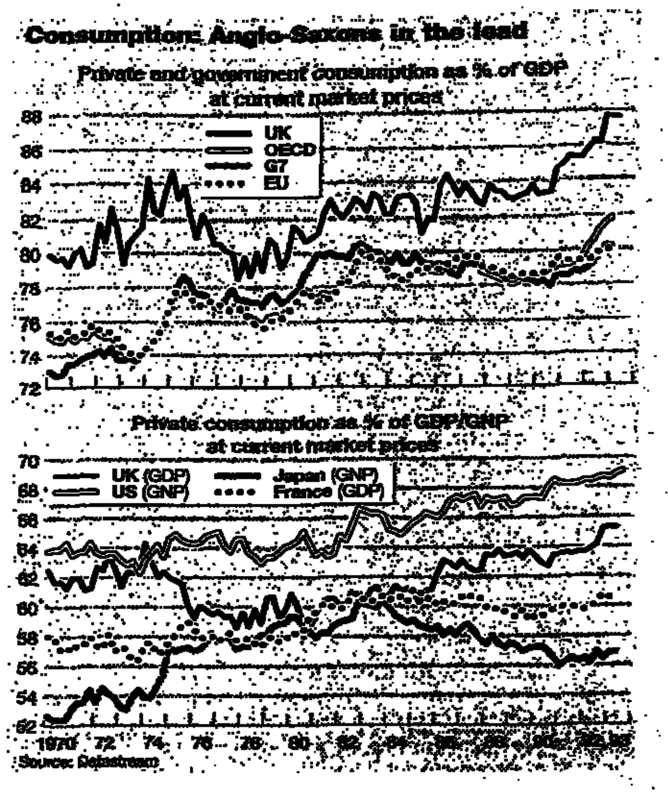
What is supposed to be so wrong with a relatively high consumption ratio? The argument is that, if it could be lowered, there would be more resources set free for investment and exports. The result, according to this mainstream view, would be improved competitiveness, faster growth and a better balance of payments. The motto of this school is the Queen's in *Alice Through the Looking Glass*: "Jam tomorrow and jam yesterday – but never jam today."

The objections to the anti-consumption thesis are on several different levels. Too many macro-economists, who acknowledge that they cannot guess the fortunes of specific industries, enjoy instead playing with big building blocks like consumption and investment which enhances their own job satisfaction. But they still mistake the role both of government and of economic analyst.

The government's role is to provide those goods and services that are judged to be better provided collectively than through the market and to execute transfers between citizens. On the macro-economic side, it is to support an adequate non-inflationary growth of demand and to keep its own budget in order – which will not always mean an exact balance. The distribution of the national income, between consumption, investment, exports, stock-building and so on, is the business of people and companies. It is not one that the government should make for them or that it has shown any aptitude for doing in practice.

I do not want to deny that the UK consumption ratio is too high, but to declare an aggressive agnosticism. When the gap between actual and potential output has been eliminated, growth is back to trend rates and the normal level of overseas capital inflows has been established, we will learn by observation what the sustainable consumption ratio is, without the government doing anything directly to bring it about, except to put its own house in order.

Consumption: Anglo-Saxons in the lead



Source: Datastream

Nor is there any reason to suppose that governments are very good at improving performance by forced savings and investment. In the former communist world, investment and savings ratios were far higher even than the Japanese ones, but this did not prevent their economies from becoming basket cases.

High-investment former communist countries still became obvious basket cases

Even a crude look at the charts suggests that the supposed relation between economic progress and a low consumption ratio is highly fallible. The US, for instance, has a higher private consumption ration than the UK. But its growth rate has been consistently as high as, or higher than, Europe's since 1975, or during any reasonable sub-period in the intervening years. (UK experience has been too dominated by the last recession to be much of an indicator on its own.)

These observations are supported by a thorough econometric study entitled *Is Fixed Investment the Key to Economic Growth?* by Blomstrom, Lipsey and Zejan (Centre for Economic Policy Research). The authors accept some modest correlation between growth rates and the share of fixed capital formation in GDP. But they then go on to examine successive five-year periods between 1965 and 1985 in 100 countries, and they find far more evidence that increases in growth precede rises in rates of capital formation, rather than the other way round. In other words, high investment ratios reflect high growth rates rather than cause them. This study, of course, is not the only reason for being sceptical of the anti-consumption school, but it is useful to have support from a sledge-hammer regression analysis with no economic axe to grind.

Let us suppose, however, that we accept the anti-consumption analysis. What can the government – that blessed abstraction – do about it? Not all that much. It can raise the tax burden and devote the proceeds to cutting the budget deficit. It has indeed carried out at least part of the prescription. Taxation and social security contributions as a proportion of GDP (excluding the North Sea sector) are expected to rise from a recession low of 34¼ per cent in 1993-94 to 38¼ per cent by 1998-99. By the late 1990s the projected ratio will be nearly 4 percentage points higher than the level at which it was running during the last year of the last Labour government. Moreover, much of the increase will come in the next two financial years. The talking classes who proudly proclaim at dinner parties that they are not being taxed enough will soon not know what has hit them.

But the strategy could backfire. An attempt by the government to increase the national savings ratio by raising taxes may not lead to more private investment at all. If the result is a slower recovery of demand and output, there may easily be less investment as a result. There is a danger that the over-contractionary pair of British budgets introduced in 1993 will have this effect. One can only hope the Gatt accord will offset this contraction by boosting "animal spirits" – which means that there will be a higher rate of investment for a given level of final demand.

An increase in intended savings may thus not boost investment. On the other hand, an increase in investment does not always require an increase in domestic savings, if it is mirrored by overseas capital inflows. In a rational world, savings are determined by people's preferences between present and future consumption; and investment upsurges are financed by tapping world savings and not merely the domestic variety.

Adam Smith said: "Consumption is the sole end of all production... The maxim is so perfectly self-evident that it would be absurd to attempt to prove it." Yet some late 20th century economists have tried to forget it.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

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Unnerving aspect of fiscal policy

From Mr John Grieve Smith.

Sir, Detailed reading of the Budget Red Book raises questions about the Treasury's conduct of fiscal policy which go much deeper than the pattern of tax and expenditure changes which have taken the political spotlight. The assumption seems to be that changes in taxation or expenditure do not affect demand, output or employment, and that the pace of recovery is something to be forecast, but not susceptible to human intervention.

It is unnerving that in a deep recession the Budget can take an extra £5.5bn out of the economy in an effort to reduce the public sector borrowing requirement without consideration of effects on demand. It is also symptomatic that neither the text nor the tables indicate any interest in the level of unemployment: it is the one important economic variable not forecast, merely assumed to remain virtually constant.

As Samuel Brittan commented (Economic Viewpoint, December 2), the Treasury has reverted to the pre-Keynesian orthodoxy of the 1920s which had such disastrous results. To have held such views then may be excusable, but to shrug off any responsibility for demand management today amounts to professional incompetence.

John Grieve Scott,
senior bursar,
Robinson College,
Cambridge CB3 9AN

Much scope for UK in Delors proposals

From Mr Nick Moore.

Sir, The government's initial response to the Delors white paper on the economic regeneration of Europe is disappointing. In its proposals for infrastructure investment ("Paper calls for big new investments in 'info-highways' and infrastructure", December 8) the white paper offers the potential for a prosperous future based on a competitive European economy.

The white paper contains plans for the development of a common European information area, a concept that was set out at the Copenhagen summit in June.

The plans represent a much-needed response to the US proposal to create a national information infrastructure and the Japanese intention to build a telecommunications network that will enable them to make the most effective use of information in the next century.

What makes the government's response so disappointing is the fact that Britain would benefit more than most European countries from the investment. Not only does Britain have some of the strongest telecommunications companies, it also accounts for the largest part of the information services sector in Europe.

In the 19th century, Britain had the vision to invest in the development of a railway network. It is ironic that, at the end of the 20th century, short-term preoccupations are preventing the government from responding to a similar need for investment in the information infrastructure.

Nick Moore,
information policy group,
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Not such a bad picture

From Andrew Webber.

Sir, In "Electronics sector warned of 27,000 job losses" (December 7), you quote a report stating that Scotland's electronics industry is too reliant on manufacturing, which is likely to be lost to lower cost competitors. The picture is not that bleak. While UK-based R&D and marketing must play a bigger role if we are to become serious global competitors, UK manufacturing does not need to rely solely on cost.

In the personal computer industry, lead time and benefits of manufacturing within a day's journey of the customer outweigh the cost penalties. All the leading PC manufacturers serving the European market manufacture in Europe, many in Scotland. In our view, they will continue to do so.

Andrew Webber,
Arthur D Little,
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Berkeley Square, London W1

BBC maintained links with Tom Thumb film

From Mr Colin Rose.

Sir, Nigel Andrews's review of the film *The Secret Adventures of Tom Thumb* (December 9) contains an allegation against the BBC which has no basis in fact.

"Having funded the project," says Mr Andrews, "Auntie then shelved it in horror until the film got loose and started to win festival prizes."

I commissioned *The Secret Adventures* as a development of a 10-minute pilot film made in-house at BBC Bristol, and I maintained a close relationship with it through script development, production and post-production.

In June, I accompanied the production team to the film's premiere at the Annecy Animation Festival and shared their pleasure at its enthusiastic reception.

We are very pleased with the film and at no point has it been "shelved". It was always intended for a prominent transmission placing, and, having waited just six months for an appropriate slot in the schedules, it will be broadcast on BBC 2 at 9.30pm on December 23.

Colin Rose,
executive producer animation,
BBC Television Features,
Broadcasting House,
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Pouring cold water on hopes of boom for oil supertankers

From K D Shilleto.

Sir, It is to be hoped that potential investors in oil tanker shares will take any prospectus offering a bright future with a supertanker of salt ("Hopes launched of uplift in tanker shipping", December 9). The tanker business has only "boomed" since the second world war as a result of major conflict: Korean war, first Suez, second Suez, etc. Normal standards of supply and demand are irrelevant to it.

A new VLCC (very large crude carrier), the crude oil workhorse, costs $90m to build and requires a daily hire of $40,000 over 10 years to make a reasonable profit. Current hire, in an admittedly unusual seasonal dip in freights, stands at about $12,000. It has not once been above $30,000 a day for any period in the past 20 years.

Wherein lies the sudden enthusiasm for public subscription? That so many existing VLCCs reach 20 years of age between now and 1997 while the replacement programme of new vessels remains unsatisfactory is insufficient reason to anticipate higher freight rates, unless it is assumed that another Exxon Valdez occurs and in a place where it is noticed – the Florida coast, Côte d'Azur or Yokohama Bay.

Relying on knee-jerk public and government reaction to ban old tankers after such an event seems a somewhat casino approach to investment, but that's the only way profit will accrue. If there is no Exxon Valdez repeat, old tankers will continue to trade at freight rates the new cannot match.

Scrapping of ageing VLCCs has resumed this autumn after a lull, but a notional overall surplus of tonnage still exists in the market. Increased scrapping in 1994 will bring balance almost within grasp if the world recession fades and oil consumption growth resumes.

Meantime a growing number of economists believes the oil industry has peaked. Gas is taking ever more of the energy market and, unlike oil, it is not flexible. Markets lost to gas are lost for 20 years, or until the gas runs out.

The truth is that old salts in the tanker business smell the possibility of a boom, want to be part of it but cannot make the figures fit to a banker's eye. *Caveat emptor.* Or leave it to the professionals.

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FINANCIAL TIMES
Number One Southwark Bridge, London SE1 9HL
Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700
Thursday December 16 1993

Greater wealth of nations

Conclusion of the Uruguay Round is truly a triumph in adversity. Securing agreement among so many countries on such a complex raft of trade agreements frequently seemed an insuperable challenge in the past seven years. To have done it at a time of sluggish growth, political uncertainty and protectionist pressures is an extraordinary achievement.

Whatever the shortcomings of the result, the original vision of a broad expansion of international trade law is now much closer to fulfilment. More remarkably still, so is the dream that drove the founding fathers of the General Agreement on Tariffs and Trade: that of a liberal, rules-based international trading system overseen by an authoritative world trade organisation. Just as the Gatt helped foster economic integration and growth in the postwar decades, the new agreement should provide powerful underpinning for the world economy, fresh impetus to competition, and fresh hope for those developing and former communist countries that have been opening up to international commerce.

Several individuals deserve credit. Mr Peter Sutherland and before him Mr Arthur Dunkel, Gatt directors-general, worked tirelessly to cajole recalcitrants – especially the US and EU – into settling differences. Mr Mickey Kantor, US trade representative, has dispelled the most serious doubts about his and the administration's commitment to multilateral free trade. Sir Leon Brittan, the European trade commissioner, played a difficult hand with consummate skill and, by luring France into the fold, arguably saved the Union from a political crisis of alarming proportions.

Reduced danger

The importance of the Final Act of the Uruguay Round is essentially threefold. First, as well as containing substantial tariff cuts, it promises to bring large areas of trade that have up to now been "outside the law" – above all in farm produce, services and textiles – within Gatt disciplines. Inclusion of farm trade, though incomplete, will reduce the danger of international conflict over dumping of subsidised surpluses, reinforce market-based agricultural reforms that are gradually being introduced in the developed world, and give developing countries a better chance of exploiting their comparative advantage as food producers. The accord on services – though also not as far-reaching as hoped – begins the extension of rules to the fastest-growing sector of world trade, and in theory could generate gains as great as those stimulated by the establishment of multilateral disciplines for manufactures more than 40 years ago. In textiles, gradual phasing out of the protectionist Multifibre Arrangement will eventually allow greater international competition and force overdue restructuring of textile industries in the developed world.

Tougher protection

Second, the agreement will deliver tougher protection for intellectual property rights, a source of increasing conflict between developed and developing countries. Third, it provides for a significant elaboration of rules designed to ensure that trade is fair as well as free. It promises greater clarity concerning when and for how long countries will be permitted to resort to "safeguard" measures against imports, to impose anti-dumping duties and to subsidise domestic industries. While this does not go as far as intended in the previous draft Final Act of December 1991, the overall aim has not in the end been fatally compromised.

All this is not to say that a brave new world of perfectly liberal trade is at hand. Significant uncertainties remain concerning the trade policies of the biggest players, the US and EU, with the former reaching all too readily for unilateral instruments of "managed trade" and the latter increasingly following suit. At least one large, and rapidly growing, trading power – China – remains outside the multilateral framework. Moreover, yesterday's accord does not touch on emerging trade issues, from competition policy to the environment, which will offer ample potential for conflict in future. These matters will deserve urgent attention as soon as the ink from the Uruguay Round is dry. Before that, however, the signatories should celebrate a victory for the international rule of law, and concentrate on getting the accord ratified and implemented.

A well-judged declaration

It is too soon to say whether yesterday's remarkable joint declaration by Mr Albert Reynolds and Mr John Major will lead to peace in Northern Ireland. The prime ministers have produced a document which demonstrates that there is no valid reason for a continuation of violence. The effectiveness of their carefully-constructed argument will now be put to the test. It will succeed if the IRA and the loyalist paramilitaries are amenable to reason, but fail if they continue to behave like mindless terrorists.

This was clear to everyone in both the British and Irish parliaments yesterday. As Mr Major told the House, he cannot force the IRA to lay down its arms; he can only urge them to do so. The Irish view is that, since the loyalists say that their own violence is retaliatory, a ceasefire by the IRA should lead to general peace. The initial reaction from Sinn Féin, the political wing of the IRA, yesterday was "disappointment", but it should study the document further.

With Mr Reynolds, Mr Major has produced in a single declaration a summation of the positions taken by both the British and Irish governments. The right to self-determination of the inhabitants of the island, expressed separately in the north and the south, is acknowledged. Irish nationalists have an undertaking that if they manage to persuade a majority of Northern Ireland's inhabitants to choose a united Ireland, the British government will accept that.

Exploratory talks

Three months after disavowing violence as a means of struggle, and persuading the IRA to lay down its arms, Sinn Féin would be invited to join exploratory talks. As part of an overall political settlement Mr Reynolds is ready to renounce his government's constitutional claim to the north. The Ulster unionists are promised, for the umpteenth time, that no change in the constitutional status of the province will be made without the consent of its voters.

These propositions, wrapped in layers of reassuring phraseology, should in all sanity constitute a helpful step towards peace. No entrenched position is compromised, but a democratic path to the settlement of disputes is laid down. The sense of hope that this engendered yesterday was reflected in the House of Commons. The Labour leader, Mr John Smith, welcomed the document "with enthusiasm". Most backbench responses to Mr Major's statement were congratulatory or friendly, give or take one or two doubting Tories.

Of particular significance is the fact that the most important unionist leader, Mr James Molyneaux, was helpfully non-committal. Without his studied neutrality, there could be no progress. The most recalcitrant unionist, the Rev Ian Paisley, was predictably outraged. On the nationalist side, Mr John Hume, the leader of the Social Democratic and Labour party, said that the Major-Reynolds paper was "one of the most comprehensive declarations that has been made about British-Irish relations in the past 70 years".

This broad welcome should give the IRA much to ponder. The very reasonableness of the Downing Street declaration, as yesterday's document will probably be called, could further isolate the proponents of violence within the republicans' natural constituency. Those in the US and continental Europe who have expressed sympathy with Sinn Féin in its struggle against British "imperialists" should note Mr Reynolds's signature alongside Mr Major's. As Mr Smith said yesterday, there was no excuse for the bombing and shooting in the first place. Any shred of justification that some might have clung to has now been stripped away.

Whether or not yesterday's initiative leads to a cessation of hostilities, the two prime ministers fully deserve the praise that has been heaped upon them. Both took a political risk when, in Dublin as in London, each assumed responsibility for seeking peace in Northern Ireland. As Mr Major observed, in a sharp response to Mr Paisley, this would be expected of any prime minister. In doing his job, Mr Major has on this matter risen above the mundane. He has shown persistence, courage and a fine grasp of detail. Presenting the result to the House yesterday, he displayed these qualities at their best.

Doing good, despite themselves

Martin Wolf says the Gatt deal will bring benefits to everybody, but getting there was far from easy

What will the Uruguay round trade deal mean to the world economy? There are two answers to this question: the first is that, it will be a good thing, provided it is ratified. On balance, the agreement looks even better than sensible participants might have hoped seven years ago when the round was started in Punta del Este.

The second answer is that nobody knows. That analysis is impossible rarely prevents economists from attempting it, in this case in an excellent cause. Three official studies, sponsored by the Organisation for Economic Co-operation and Development, the World Bank and the Secretariat of the General Agreement on Tariffs and Trade, have estimated the increase in global economic welfare at between $213bn and $274bn in 1992 US dollars in 2002. That would be between three-quarters and 1 per cent of gross global income at that time. These estimates are almost certainly too low.

The estimate of $213bn which appeared in a joint study by the OECD and the World Bank published in May of this year, is based on the assumption of a 30 per cent across-the-board reduction of all tariffs (and input subsidies) on all commodities.[1] The estimate of $274bn comes from an OECD study published this autumn, which assumes a 36 per cent global reduction in tariffs and the trade restricting effects of import barriers for both industrial and agricultural products.[2] The results differ from the first study, mainly because the calculations made for the latter paper included cuts in industrial non-tariff barriers.

Somewhere in the middle comes a study by the Gatt Secretariat, published at the end of November 1993, whose estimate of the aggregate income gain is $230bn by 2005.[3] What makes this study significant is that, unlike the others, it is based not on hypothetical liberalisation, but on offers made by trade negotiators by November 19th 1993.

According to the Gatt Secretariat, those offers included:

- ● an increase in the scope of bound tariffs on industrial products in developed countries (that is, tariffs which cannot subsequently be raised, except in special circumstances) from 78 to 97 per cent and in developing countries from 21 to 65 per cent.
- ● offers of tariff reductions from developed countries covering $464bn of their industrial imports out of the total of $612bn not already duty free.
- ● a doubling, from 20 to 43 per cent, in the proportion of developed country merchandise imports entering duty free.
- ● trade-weighted average reductions of 38 per cent in the tariffs of developed countries, from 6.4 to 4 per cent.
- ● smaller proportionate reductions in tariffs on textiles and clothing, the most important industrial category for developing countries, at least partially offset by a commitment to abolish the multi-fibre arrangement, under which these imports are restricted by developed countries.
- ● a 36 per cent overall reduction in the tariff equivalent of agricultural barriers.
- ● market access commitments in agriculture that would make the proportion of bound agricultural tariffs broadly the same as those for industrial goods for the first time in the Gatt's history.
- ● offers to liberalise imports of services from 88 countries.

The best estimate of the benefits should come from a study that is based on actual rather than hypothetical offers. But the final market access agreements have ended up both more comprehensive and more liberal than when the Gatt study was prepared a month ago.

There are four, still more fundamental reasons why the Gatt study, like the other two, underestimates the ultimate benefits of the round. First, they do not take direct account of the stimulus to trade in services, already 21 per cent of world trade; second, they do not take account of the benefits of a strengthened set of rules and procedures, culminating in the agreement to establish a World Trade Organisation; third, they assume that the status quo could have been maintained if the Uruguay round had failed; finally, they ignore the dynamic benefits of a more competitive and integrated global economy.

The last is the fundamental point. As is shown in the chart, volume of world commodity output has been consistently led by growth in world exports. Over the whole period between 1950 and 1991, the volume of total world exports grew 12 times, while world output grew six times. More startlingly still, the volume of world exports of manufactures rose 23 times, partly because this is where trade liberalisation was concentrated, while output grew eight times.

It is impossible to prove that the fast growth of trade drove the growth in output, but cross-country experience supports that presumption. The rise of the east Asian economies as a source of exports of manufactures, for example, ran ahead of their exceptionally rapid increases in real incomes. This success has already made the region a third pole of world trade and world economic activity, along with north America and western Europe (see chart). It is because they have come to realise that a tax on imports is a tax on exports that more than sixty countries, including former convinced protectionists, have announced unilateral market opening measures during the course of the Uruguay round.

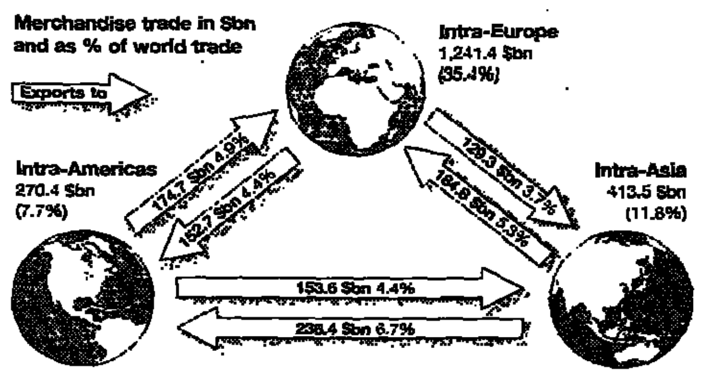
According to the Gatt Secretariat, the success of the Uruguay round might make a twelve per cent difference to the volume of world trade in 2005, increasing it by $745bn (in 1992 US dollars) over what it would be if it had continued to grow at the average achieved between 1980 and 1991. The largest increases in trade are projected to occur in clothing, textiles and agricultural products, at present the most protected areas of world trade.

Make the simple assumption that the relation between the expansion of trade and output that existed over the whole post-war period will continue over the next twelve years. Under the Secretariat's assumptions for trade, world exports would rise at 5 per cent a year until 2005, which would be consistent with annual output growth at 3.5 per cent against only 2.9 per cent if there were no Uruguay Round. Global economic output would then be some 8 per cent or $2,000bn in 1992 US dollars higher, by 2005, than it would otherwise be. This may well be an overestimate, just as the calculations above are underestimates. But it may be no further from the truth.

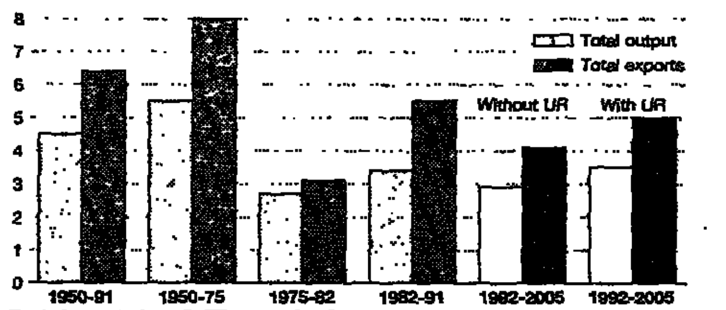
The real puzzle is not how large the gains are, but how difficult it has been to achieve them. In Gatt parlance, the trade liberalisation that is the source of the gain is a "concession" to one's partners. The aim of the clever negotiator is to minimise such concessions, while maximising those from others. The result of this counter productive process is that the more successful a country is in the negotiation game, the less it gains.

This is why the most peculiar aspect of the gains is how they are distributed. As the chart shows, it is the European Union, Japan and European Free Trade Area countries that have the largest proportional welfare gains. How can that be? It is because they are being forced to liberalise in agriculture, which is precisely what they have tried to avoid. The Uruguay round has been an excellent thing, which will benefit almost all its participants in the long run. But one wishes there were some less agonising way of persuading countries to abandon the protection that is so much against their own interests.

How the trade winds will blow



Annual average growth of world output and world exports (%)



Trade forecasts from GATT secretariat. Output forecasts derived on the assumption that the 1950-91 ratio of export to output growth continues between 1992-2005.

OECD estimates of impact of trade liberalisation in 2002 $bn, 1991 prices

Country/region	OECD	World
Australia	1.6	1.9
Canada	5.9	6.6
EU	78.3	71.3
EFTA	34.2	38.4
Japan	35.5	42.0
US	26.3	27.6
Total OECD	181.8	187.7
Rest of world	29.9	86.4
Total world	211.8	274.1

In assessing the effects of the Uruguay Round, the OECD has used two scenarios: firstly assuming trade liberalisation only in the OECD, and then in the entire world. An important omission from the model is the service sector, the fastest growing sector in all the OECD economies.

Source: GATT, OECD 'Assessing the effects of the Uruguay Round'

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[1] *Trade Liberalisation: the Global Economic Implications (Paris and Washington: OECD and the World Bank, 1993);* [2] *Assessing the Effects of the Uruguay Round, Trade Policy Issues 2 (Paris: OECD, 1993);* [3] *Background paper prepared by the Gatt Secretariat (November 1993).*

BOOK REVIEW

Ultimate problem child

RUSSIA 2010.
WHAT IT MEANS
FOR THE WORLD
By Daniel Yergin
and Thane Gustafson
Random House, $23. 300 pages

A book bearing this title gives rise to fears of a teach-yourself-Russian-politics book with a little futurology thrown in. It is not. It is an extraordinarily intelligent piece of work.

Daniel Yergin is author of *The Prize*, a compendious and exciting history of oil, and of a revisionist history of the Vietnam War, *Shattered Peace*. Thane Gustafson is a scholar whose published interests cover Soviet energy policy, politics and the military. Together they have applied a level of experience and acute judgment which raises *Russia 2010* to the level – rarely attained – of a book which qualifies for the accolade "essential".

Reading it while Russia's latest crisis roared in the background meant being struck by the extent to which their framework could contain and explain events whose precise nature they could not have forecast. There are mistaken judgments – as when they predict, in one of their scenarios of the future, that government control of the media helps squash a nationalist upsurge. One recent lesson is that control, when exercised ineptly, causes a wave of support for the media underdog, in this case Vladimir Zhirinovsky. But these are minor shortcomings.

The American diplomat-scholar George Kennan, writing after the second world war, said that, in trying to understand the Soviet Union, we tread "the unfirm substance of the imponderables". Yergin and Gustafson illuminate present imponderables by taking on the internally contradictory nature of post-Soviet Russia. Freedom ushers in scope for a new despotism and strong central control holds out the only chance for the rational working of a free economy. While interviewing the leader of a neo-fascist movement calling itself Liberal Democratic, I was grateful for an analysis which incorporates paradox and the apparently enduring reality that truth in Russia includes falsehood – and falsehood, truth.

Yergin's and Gustafson's aim is to "apply scenario planning to the future of Russia". They believe that "the collapse of communism stands as the most important development for the entire world at the end of the 20th century". Their exercise is intended to overcome what Anthony Eden, former British prime minister and victim of Suez, despairingly said was governments' tendency to be "always a lap behind, the fatal lap". Thus the book contains four scenarios outlining Russia's likely future.

The first scenario is the present "muddling down", as the authors call it: a weak central government, a continuing struggle for power and property, relative freedom, fractious relations between the newly independent states of the former Soviet Union which cannot live comfortably with each other but cannot live without each other, soft budget restraints and demoralised security forces. The prognosis is contradictory. It "could lead to a Russian version of the economic miracle [and] . . . it is fertile ground for extremism" (as we have just seen).

The second scenario is called the "two-headed eagle". It is a reassertion, up to a point, of central authority: a mildly authoritarian, rather than extreme, reaction to chaos which threatens after an attempt to assassinate President Yeltsin; order is re-established but this involves top-down stimulation of a market economy; those running the state, while they lack the pro-market zeal of Gaidar and the reformers, nonetheless quietly adopt elements of their programme.

At least as persuasive a scenario, sadly, is the third – the "time of troubles: chaos and reaction". A military junta takes over from the weak president who succeeds a demoralised Yeltsin, and suppresses most free institutions. Yet, because the junta has no long-run alternative, it resorts again to the market, albeit one contained within a centralised, nationalistic and authoritarian state framework.

The last scenario is the most fantastic. The authors call it the "chudo", or miracle. In this instance, a government which holds steadily to a pro-market course, overcomes the political obstacles and safeguards a new class of property owners and pro-market technocrats. "By 2003 the Russian economy begins growing at a 9 per cent annual rate," suggest the authors, "fuelled by abundant manpower, resourceful Russian management, high and rising personal incomes, natural resources and foreign capital." For this outcome, Russia has to navigate between the re-establishment of a strong state controlling the "market" (the Chinese model) and the disintegrative tendencies in the "muddling down" scenario. But there are few signs the Russian authorities have the sophistication for this.

The authors also propose eight "surprises" (mostly unpleasant) and sketch in a western response, raising the final paradox, namely that the west is at once marginal (in terms of direct influence) and crucial (in resources and know-how) to Russia's development.

In international life – to quote the authors citing Kennan again – there is "nothing final in point of time, nothing not vulnerable to the law of change". This book helps us understand the vulnerabilities of this century's greatest problem child.

John Lloyd

OBSERVER

Sino-Irish declarations?

■ Was it wise for Britain and Ireland to call yesterday's statement a joint declaration? Given that Britain's last joint declaration – its 1984 agreement with China over Hong Kong – is now threatened, another form of words might have been preferable.

Just like the Anglo-Irish accord, Hong Kong's was an attempt at squaring a few circles. Mrs (now Lady) Thatcher said in 1984 that the joint declaration – guaranteeing Hong Kong "a high degree of autonomy" under Chinese sovereignty from 1997 – had "brought our countries closer together. It has increased our mutual understanding, respect and trust."

You wouldn't have thought so yesterday, when China crossly rebuffed Hong Kong's governor, Chris Patten. It described Patten's proposed electoral reforms as having "demolished the foundation of Sino-British co-operation" – code for the joint declaration.

Another triumph bites the dust; no doubt Ian Paisley will have been watching closely.

Mildly mistaken

■ A quick post-mortem on the research output of some of the world's top banks shows that even the bankers were as unprepared as the rest of us for the outcome of last weekend's Russian elections.

Chemical Bank forecast, just two days before the vote, that "pro-reform deputies will dominate the new parliament". At least it mentioned Zhirinovsky as a "political wild card". Salomon was even more wrong-footed, predicting as late as December 9 that "reformist forces will place strongly in the December 12 parliamentary elections".

Even David Roche, Morgan Stanley's east European supremo, got it wrong. "We pusillanimously predicted either the constitution passes with a pro-reform parliament, or it passes with a fudged parliament. None of us expected what we have – a bloody awful parliament. None of us realised just how similar Russia is to the Weimar Republic."

Let's hope that Roche has got it wrong again.

Hilfe!

■ Most German businessmen can clinch a deal in English with facility, but there are times when even they wish to resort to their native lingo.

In January, the Federation of German Industry (BDI) is holding a high-level seminar on industrial trends throughout Europe. Not content with the stilted discussions so often the product of simultaneous translation, it is urgently seeking some senior executives from Britain and France to take part in a panel discussion. Extraordinarily enough, the BDI cannot think of anyone from either country who can make him or herself easily understood in the language of Goethe. Bright ideas please to the BDI's spokesman Volker Franzen, tel no 49 221-370 8565.

'He'll look a lot more statesmanlike *when he's taken off his balaclava'*

Loose cannon

■ One US congresswoman who is not going to be pleased with the UK government's decision on the Thorp nuclear reprocessing plant is Elizabeth Furse, an Oregon Democrat.

No friend of the British nuclear lobby, she said recently that she didn't want to face up to a failed nuclear proliferation policy and "find that our closest ally tripped us up". Born in Kenya and brought up in South Africa, she became a US citizen in 1972, growing grapes near Portland before she ran for Congress last year. Much of her life has been spent campaigning for migrant farm workers and American Indians, and against apartheid. But it's her outspoken stance on nuclear power which will really upset some older members of Britain's military brass.

After all, her father was an admiral in Britain's Royal Navy, as was her grandmother, who founded the Wrens. So much for the traditions of the silent service being handed down . . .

New leaf

■ What a fickle world. It was only a few months ago that Dillons, part of the once high-flying Pentos book retailing chain, took over Midland Bank's splendid old headquarters in Birmingham and turned it into the UK's largest bookstore outside London. Old banking hands saw it as another symbol of the long-term decline of what used to be Britain's biggest bank. Now Midland is bouncing back under new owners and Pentos, headed by ex-Midland chairman Sir Kit McMahon, needs to reduce its borrowings.

Perhaps Midland should buy back its old headquarters and move out of London. It would help distance Midland management from its interfering parent, HSBC Holdings, and give the impression that it was returning to its original roots in the Midlands. Just an idea.

Knot on

■ Mickey Kantor's cavalier re-wording of the Gordian knot legend *vis à vis* Gatt seemed to embrace the spirit, rather than the letter, of Alexander the Great's response to the King of Phrygia's intransigence. The Concise Oxford dictionary defines the cutting of the knot as "solving problems by force, or by evading the conditions".

Mickey may just have got that bit right.

Seat of honour

■ The heroic tread of 20th century democracy shuffles a further pace forward today, with the introduction of a Citizen's Charter for public toilets.

The Audit Commission is taking this great leap forward partly in response to pressure from the likes of Jon Owen Jones, Labour MP for Cardiff central, already and inevitably dubbed by some at Westminster as "Spendapenny Jones".

FINANCIAL TIMES
Thursday December 16 1993

Yeltsin attacks 'evil' of Ukraine's nuclear delays

By Leyla Boulton in Moscow

President Boris Yeltsin condemned Ukraine's stalling on nuclear disarmament as "evil" yesterday in remarks that may signal a tougher Russian foreign policy after ultra-nationalist gains in the elections last weekend.

In the 225 seats determined by proportional representation, the Liberal Democratic party of Mr Vladimir Zhirinovsky, the neo-fascist, is in the lead.

Full electoral results are not yet in, but an unofficial counting of results – including seats determined by party lists and by a first-past-the-post system for candidates without explicit party affiliations – showed the reformist Russia's Choice as the largest single group in the 450-seat state Duma, the lower house of parliament, with 74 seats.

A Kremlin official said that in the 209 out of 225 first-past-the-post constituencies so far counted, 24 per cent were Russia's Choice, while only 4 per cent went to the Liberal Democratic party.

Mr Yeltsin was quoted by the Interfax news agency as telling visiting US vice-president Al Gore: "Ukraine is deceiving us all. It is deceiving the United States, Russia, Europe, deceiving the whole world, and we are so helpless that we cannot deal with this evil."

The electoral triumph of Mr Zhirinovsky, who says former Soviet republics will beg to be reabsorbed by Russia, has provided Ukraine with a powerful new excuse to procrastinate on commitments to give up nuclear weapons inherited from the Soviet Union.

In the face of strong international condemnation over its failure to ratify the strategic arms reduction treaty, Start-1, without conditions and to fulfil its May 1992 promise to go non-nuclear, Ukraine is insisting on security guarantees and financial compensation for the 2,760 short-range nuclear warheads it transferred to Russia last year and for its 1,656 remaining warheads.

The electoral success of Russia's far-right parties has prompted fears that Mr Yeltsin will be tempted to play the nationalist card in foreign policy, while, at best, sticking to unpopular market reforms at home.

As the pro-western reformist camp awaits a public signal of support from Mr Yeltsin, Mr Boris Fyodorov, the finance minister, flies to Paris today for talks with officials of the Group of Seven industrial countries to discuss continuing western support for economic reform.

"The signals I'm getting is that reform are still on track," Mr Fyodorov said. "The prime minister is still committed. The president looks committed, but we're still waiting for him to speak up."

Mr Gore, describing the views of the neo-fascists who did so well in the elections as "reprehensible", predicted after the meeting the president at the Kremlin that Mr Yeltsin would form an "effective" coalition government.

Mr Yeltsin appears to be hedging his bets until the full election results are available.

Hong Kong bill 'destroys co-operation', says Beijing

By Tony Walker in Beijing, Simon Holberton in Hong Kong and Alexander Nicoll in London

China last night accused Britain of destroying co-operation on Hong Kong and appealed to the territory's residents for support in the deepening confrontation over the 1997 transfer of sovereignty from London to Beijing.

The government in Beijing issued a stern statement in response to yesterday's tabling in the Hong Kong Legislative Council (Legco) of a partial reform bill aimed at broadening the franchise for elections due in 1994 and 1995. China says the bill violates Sino-British agreements.

Though it did not explicitly close the door on further discussions, the statement said Britain had "demolished the foundation of Sino-British co-operation".

In an attempt to polarise opinion in the colony, the Beijing government said: "We welcome the people in Hong Kong ... to support and participate more positively in the work of the Preparatory Work Committee for Hong Kong's smooth transition and for maintaining Hong Kong's prosperity."

Beijing established the committee this year to advise on arrangements for 1997. British officials fear China will use the body to undermine the authority of the Hong Kong government.

Mr Alastair Goodlad, a British foreign office minister, said it had been necessary to begin legislation to cover urgent issues and that this should give time for discussion with Beijing on other matters. He insisted in a parliamentary answer that Britain wished "to co-operate with them in securing a smooth transition".

However, the Chinese statement made it clear that a resumption of talks, which foundered last month after 17 rounds since April, depended on Mr Chris Patten, the governor, withdrawing his legislation.

It said that tabling the bill without Beijing's agreement was "another serious step" towards confrontation with China. "In such circumstances any election bill passed by Legco will be against Sino-British agreements. Therefore, it will not be acceptable to the Chinese side."

The statement added: "The British side's move indicates that the British had unilaterally broken off the Sino-British talks creating man-made chaos ... and posing obstacles to the smooth transition and handover of power in 1997."

In Hong Kong Mr Michael Sze, secretary for constitutional affairs, told Legco that time had run out for talks about "straightforward" issues relating to the colony's 1994 and 1995 polls. These include lowering the voting age from 21 to 18 years and abolishing appointed officials in local government.

Mr Patten's other proposals to broaden democratic participation will be tabled in a second bill expected by the end of February.

However, support for yesterday's bill – which had been thought likely to pass through Legco easily – has weakened considerably. The conservative Liberal party, which favours Sino-British co-operation, has opted instead to survey its membership before it makes a decision on the bill.

UK and Ireland launch outline peace plan

Continued from Page 1

He said the declaration "guarantees that for so long as a majority of the people of Northern Ireland wish to remain a part of the United Kingdom, the government will uphold their right to do so."

The declaration makes clear that the British government would do nothing to stand in the way of Irish unity and will consider the establishment of new cross-border institutions to strengthen cross-border links.

Adapting nationalist rhetoric, it said that the people of the island of Ireland alone should map out their own future through "self-determination on the basis of consent, freely and concurrently given, North and South."

For his part, Mr Reynolds moved further than previous Irish leaders in offering explicit recognition that the status of Northern Ireland could only be changed with the consent of its people. He told journalists in Downing Street: "We cannot have winners and losers if we want peace".

French win race to draw up human gene 'map'

By Clive Cookson, Science Editor, in London

French scientists have won the international race to produce the first comprehensive "map" of the genes in every human cell.

It will guide researchers towards the genetic causes of thousands of diseases, ranging from diabetes and asthma to rare forms of cancer.

The "physical map of the human genome", unveiled by the Centre d'Etude du Polymorphisme Humain (Ceph) in Paris yesterday, is a landmark in genetics research. Scientists can now move more quickly to identify all the 100,000 genes that provide a blueprint for human development.

Dr James Watson, who discovered the double-helix structure of DNA, in which the genetic code is stored, and is still a leading US genetics researcher, acclaimed the French achievement. "By identifying these genes, we can begin to develop drugs to cure rather than treat disease," he said.

Dr Daniel Cohen, director of Ceph, acknowledged yesterday that the map still had gaps and inaccuracies, and its resolution needed to be improved. "Like any first map, it requires further study and refinement, but it can be used immediately for genetic research," he said.

Researchers looking for the cause of an inherited disease search first for "genetic markers" that are present in patients but not in other people's DNA.

Now, they should be able to find these markers like landmarks on the new map – and home in quickly on the gene responsible. They can then decode the gene and, depending on its function, develop a drug to block or enhance it.

The Ceph map is described briefly in today's issue of the journal Nature. The full data will be available on the global Internet computer network – without patent protection. If printed out, it would form a pile of paper 300 metres high.

Although the French scientists give full credit to the help they have received from researchers elsewhere, they cannot conceal their Gallic pride in having established a clear lead over American gene mappers, who receive much more generous financial support under the US government's Human Genome Project.

Dr Cohen points out that Ceph was founded in 1983 to carry out genetic mapping – several years before the US programme got under way. The centre's original endowment came from a $10m legacy of paintings and it still relies mainly on privaté and charitable funding.

Dr Cohen says "a final, complete map of the genome will take two to five years more of international collaborative work."

THE LEX COLUMN

Providing good value

The Accounting Standards Board cannot be accused of taking the line of least resistance. Its proposals on acquisition accounting have been barely watered down during consultation, despite vigorous opposition from those with a vested interest in promoting takeovers. Freedom to make provisions on acquisition for all manner of anticipated costs has done much to encourage unnecessary deal-making. Having enjoyed an accounting advantage over their international competitors through the 1980s takeover boom, UK companies might now find themselves worse off.

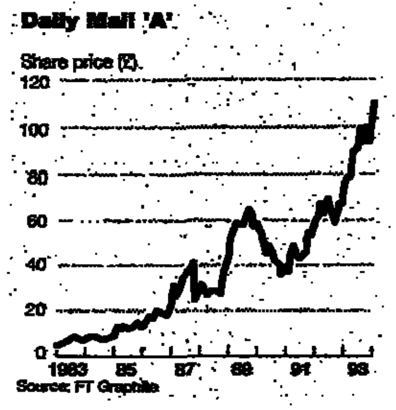
Still, acquisitions which depend on a favourable accounting treatment are usually not worth making. The ASB is surely right that reorganisation costs and anticipated losses should be charged to profits rather than buried in the balance sheet. By sweeping away the layer of provisions with which acquisitive companies mask performance, this approach can only be good for transparency. It also ensures that all reorganisation expenditure is treated the same way regardless of who makes it. Potential prey will no longer be at a disadvantage, though companies which make excessive provisions in the normal course of business should perhaps take these proposals as a shot across the bows.

By restricting the scope for asset write-downs, the ASB will also reduce the amount of goodwill arising from takeovers. But goodwill will not melt away entirely. The next task for the standards-setters is deciding how it should be treated. The option of writing off goodwill to reserves probably encouraged the wilder abuses of acquisition accounting. Yet alternatives – such as amortising goodwill over a fixed period or holding it in the balance sheet subject to revaluation – face widespread opposition. Finding a solution to that problem will be an even harder task for the ASB.

Daily Mail

FT-SE Index: 3278.8 (+30.4)

Daily Mail 'A'



Source: FT Graphite

The sight of Viscount Rothermere blithely flouting the worldwide trend towards share enfranchisement would normally induce fund managers to foam at the mouth with apoplexy. Perversely, Daily Mail and General Trust's bonus issue, which cuts the proportion of voting shares to total equity from 50 per cent to 5 per cent, was greeted with enthusiasm. Shareholders bought into Daily Mail in the knowledge that the Rothermere family's voting power would never be diluted. The scrip issue improves the liquidity of the stock, which at £116 a share had grown too heavy.

Given the performance of the A shares, such equanimity is understandable. Mr Rupert Murdoch's recent super share proposals for News Corporation are not analogous. The Rothermere interests have no intention of expanding Daily Mail's total equity base nor selling their allocation of A shares.

Moreover, Daily Mail's newspaper business is performing soundly and is beginning to benefit from the patchy recovery in advertising spend. The Daily Mail and Mail on Sunday have even been able to lift cover prices without undue damage to circulation. The full year's numbers will be depressed by heavy spend on the launch costs of new supplements and investments in a rag bag of other media interests, ranging from GWR Radio to a Hungarian provincial newspaper. But the company remains one of the highest-rated newspaper groups. Its challenge is now to diversify into fruitful areas without diluting its quality of earnings. It would do well to match the success of Euromoney, where its initial investment of £6,000 in 1969 is now worth some £250m.

Electricity generators

In marking up PowerGen and National Power by 2 and 3 per cent respectively, the market is assuming that Offer's latest intervention further reduces the likelihood of a Monopolies and Mergers Commission reference. Though Offer denies any direct pressure from Whitehall, the government is unlikely to relish another inquiry into a privatised industry so soon after its awkward experience with British Gas. Not only would that get in the way of the government's plans to sell its remaining 40 per cent stakes: the outcome would also be unpredictable, especially if the generators managed to have the inquiry broadened. That may help explain why Mr Stephen Littlechild, the regulator, couched his message in the form of an offer of a deal rather than a threat.

It is difficult, though, to see him striking anything other than a weak agreement with the generators. To stimulate competition would require plant sales. Without such disposals, a switch in pricing mechanism may not make much difference to pool prices. Yet Mr Littlechild stressed that plant sales would be voluntary, as if he assumes the generators would happily cede assets that might be used in competition against them.

The real shock for the equity market would be if these arguments prompted Mr Littlechild to opt for a reference after all. National Power has out-performed by 30 per cent this year, PowerGen by 50. In contrast to British Gas, investors have never been inclined to fret about the possibility of a reference.

Dorling Kindersley

The stock market lathered itself into such excitement about Dorling Kindersley's prospects that the scale of its disappointment has been correspondingly great. After last year's flotation, the group's shares shot up to a peak rating of 35 times historic earnings. An attractive illustrated books business combined with the multi-media appeal of its trading association with Microsoft made Dorling Kindersley a market darling. Now, a second profits warning in as many weeks and the abrupt departure of its managing director has dented that image. The present inability to quantify the scale of the distribution difficulties at Tiptree adds a real edge of nervousness given that 20 per cent of its sales go through the business. New problems at its educational business indicate another worry.

Against that, the company's potential in multi-media remains intact and the appointment of Microsoft's business development director to its board helps shore up confidence. But how well the management resolves the dispute with Tiptree may provide a good test of its competence to exploit opportunities elsewhere.

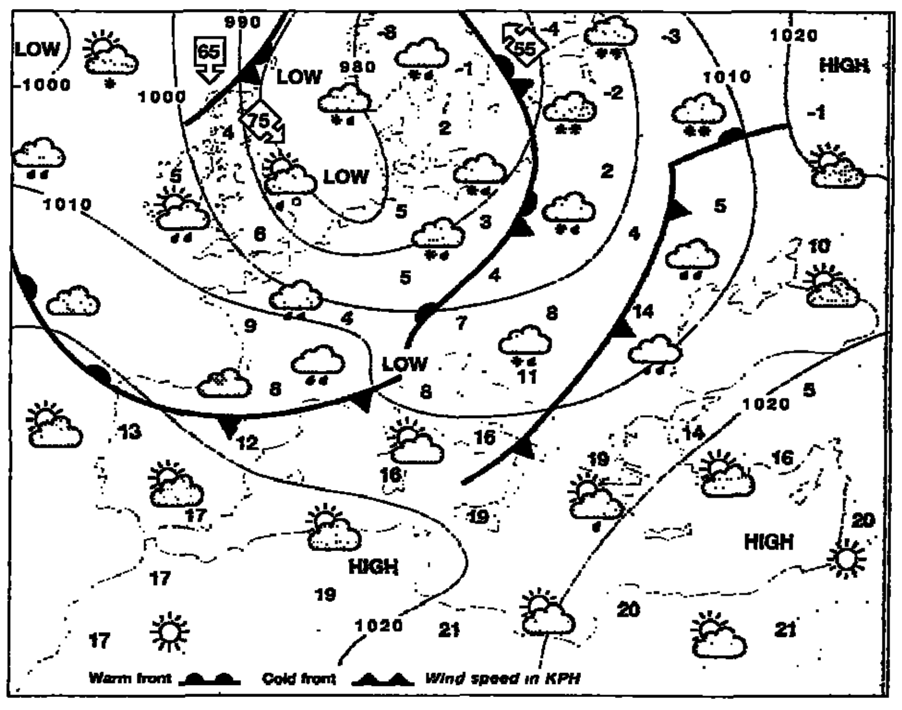
FT WEATHER GUIDE

Europe today

Widespread rain or snow and strong winds will move into Europe from the North Sea. Snow will accumulate 20 to 50 cms in parts of Scandinavia and the Alps. This morning, gale to strong gale force north-westerly winds will hit the British coast. During the afternoon, gale winds will move to the Norwegian and Danish coasts. Hail is also expected. A small low pressure area over northern Italy will cause heavy rainfall in south-eastern France and northern Italy. Further south in Spain and Italy, conditions will remain dry with some sunshine. Mainly cloudy conditions will prevail in eastern Europe with widespread snow from the CIS to the former Yugoslavia. Elsewhere in eastern Europe, rain or sleet will fall.

Five-day forecast

A strong surge of warm air will move over the British Isles and the continent on Friday and Saturday, raising temperatures and bringing a brief improvement in conditions. During the weekend, a storm over the North Sea is likely to bring severe gale winds to the Atlantic and North Sea regions. The storm will also lead to cooler and unsettled conditions throughout northern Europe.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

		Maximum Celsius
Abu Dhabi	sun	27
Accra	sun	32
Algiers	fair	18
Amsterdam	shower	5
Athens	shower	18
B. Aires	rain	23
B.ham	shower	5
Bangkok	fair	34
Barcelona	fair	15
Beijing	sun	-1
Belfast	shower	4
Belgrade	shower	10
Berlin	rain	4
Bermuda	cloudy	25
Bogota	cloudy	21
Bombay	sun	34
Brussels	shower	5
Budapest	rain	4
C.hagen	snow	2
Cairo	sun	20
Cape Town	fair	28
Caracas	cloudy	28
Cardiff	shower	6
Chicago	cloudy	6
Cologne	rain	5
D' Salaam	fair	29
Dakar	fair	27
Dallas	cloudy	12
Delhi	sun	24
Dubai	sun	29
Dublin	shower	5
Dubrovnik	rain	14
Edinburgh	shower	4
Faro	fair	17
Frankfurt	shower	5
Geneva	rain	5
Gibraltar	sun	18
Glasgow	hail	5
Hamburg	rain	4
Helsinki	snow	-4
Hong Kong	shower	14
Honolulu	cloudy	27
Istanbul	shower	14
Jersey	windy	5
Karachi	fair	28
Kuwait	sun	23
L. Angeles	sun	18
Las Palmas	fair	19
Lima	cloudy	27
Lisbon	cloudy	14
London	cloudy	6
Lux.bourg	shower	3
Lyon	rain	8
Madeira	fair	18
Madrid	cloudy	12
Majorca	sun	17
Malta	fair	18
Manchester	shower	5
Manila	cloudy	31
Melbourne	fair	19
Mexico City	fair	24
Miami	fair	22
Milan	cloudy	7
Montreal	fair	-5
Moscow	snow	-1
Munich	shower	5
Nairobi	fair	25
Naples	shower	14
Nassau	fair	24
New York	rain	4
Nice	rain	15
Nicosia	sun	16
Oslo	snow	-3
Paris	shower	7
Perth	sun	33
Prague	cloudy	4
Rangoon	fair	33
Reykjavik	snow	-3
Rio	fair	27
Riyadh	sun	23
Rome	fair	15
S. Frsco	sun	14
Seoul	cloudy	-3
Singapore	cloudy	31
Stockholm	snow	0
Strasbourg	rain	7
Sydney	cloudy	24
Tangier	fair	16
Tel Aviv	sun	21
Tokyo	fair	8
Toronto	sun	2
Tunis	fair	18
Vancouver	cloudy	7
Venice	fair	8
Vienna	cloudy	4
Warsaw	cloudy	3
Washington	rain	6
Wellington	rain	15
Winnipeg	sun	-5
Zurich	rain	4

[illegible]

FINANCIAL TIMES
COMPANIES & MARKETS
Thursday December 16 1993

IN BRIEF

IBM will not bail out Groupe Bull

IBM of the US will not subscribe to a FFr8.5bn recapitalisation programme for Groupe Bull, the loss-making, state-owned, French computer group, the two companies announced yesterday. The US computer group, which holds 5.6 per cent of Bull's shares, cited "other financial priorities" for its decision. But the two computer groups said they would continue their industrial alliance and accelerate work on joint projects.

Bull's other main shareholders, the French state, France Telecom, and NEC, the Japanese electronics group, have agreed to provide their share of the refinancing package.

Dorling Kindersley shocks market
Dorling Kindersley, the UK publisher that became a glamour stock after its flotation last year, yesterday shocked investors by announcing the departure of the group's managing director and issuing its second profits warning in a fortnight. The shares plunged by 89p to 221p, reducing the group's market value by £55m ($81.95m) to £136m.

The group warned that pre-tax profits for the year to next June would be less than the £9.65m ($14.3m) last time.

Bonus issue for Daily Mail
The Dail Mail and General Trust yesterday announced a bonus share issue of nine non-voting shares for each voting and non-voting share in an attempt to increase liquidity and trading in the shares. Page 18

Small exchange proposed for London
The London Stock Exchange's board will today consider proposals for a separate exchange for smaller companies – a replacement for the Unlisted Securities market, which closed earlier this year. Page 18

Pentos predicts substantial loss
The new chairman of the Pentos specialist retailing group warned that the company would post a "substantial" loss before tax and exceptional items this year, and is to pass the final dividend. In the wake of the warning Pentos's shares lost more than one-fifth of their value and closed down 7½p at 27p, a new nine-year low. Page 21

BAe heads for partnerships
British Aerospace is in discussions with other aircraft makers to establish European partnerships for turbopropeller and regional jet aircraft modelled on the European Airbus consortium. Page 23

Suzuki lifts equity in Magyar
Suzuki Motor of Japan and its partners in the Magyar Suzuki joint venture in Hungary yesterday have agreed to increase equity to Ft11.7bn ($117m) after heavy losses at the car assembly. Page 18

Malaysia sells airline stake
The Malaysian government is selling a 32 per cent stake in Malaysia Airlines (MAS) in a deal worth M$1.79bn (US$700m). Page 19

Chicago board promotes itself
The Chicago Board of Trade is forming a consulting subsidiary to lend technical expertise and other assistance to emerging futures markets. Page 24

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Chief price changes yesterday

FRANKFURT (DM)			
Rises			
Berliner Bank	484	+	10
Falls			
Dresdner Bank	436.5	−	11.8
Horten	240	−	9.5
Kaufhof	501.5	−	20
Schering	1010	−	63
NEW YORK ($)			
Rises			
Allied Signal	75½	+	⅛
Archer-Daniels	23⅜	+	1½
Boeing	42	+	1⅝
Gen Electric	103⅞	+	1½
Quotron	4	+	½
Falls			
Brock Candy	8¼	−	3¼

New York prices at 12.30.

PARIS (FFr)			
Rises			
BSN	899	+	26
Gaumont (SocN)	773	+	23
Lafarge Coppee	437	+	10.3
Falls			
BNP	230	−	9.7
Canal Plus	1109	−	151
TOKYO (Yen)			
Rises			
Asahi Optical	414	+	24
Kansai Paint	425	+	23
Sony	5430	+	120
S'tomo Mt Mn	847	+	47
Falls			
Seibu	341	−	34
Yomiuri Land	917	−	23

LONDON (Pence)			
Rises			
Capital Radio	281	+	27
GBE Intl	82	+	8
Greenalls	426	+	14
Group Devel	46	+	6½
Hunters Armley	180	+	10
IoM Steam Pkt	253	+	28
Kwik Save	570	+	18
National Power	449½	+	13
Persimmon	297	+	15
Shanti	199	+	17
Sidlaw	294	+	17
Trans World	85	+	10
Falls			
Acorn Computer	78	−	5
Bakyrchik	310	−	23
Blagden	113	−	8
Bowater	462	−	13
Dorling Kndsly	221	−	89
Pentos	26	−	9
Ramco Oil	149	−	28
Tadpole Tech	244	−	20

Kodak shares lose 10% after warning

By Richard Waters in New York

Shares in Eastman Kodak, the troubled US photographic products group, tumbled 10 per cent yesterday after a profits warning from recently-appointed chairman and chief executive Mr George Fisher.

Mr Fisher said a review carried out in his first two weeks in the job had revealed that the company's profits next year would fall far short of stock market expectations. "Consensus estimates of Kodak's earnings [are] well above what I believe we will be able to deliver," he said.

The company gave no indication of why the outlook for next year had changed. Mr Fisher, however, hinted that revenues would not grow as fast as the company had expected.

Analysts had been anticipating earnings per share growth of as much as one third in 1994, as Kodak cut costs to rebuild its profits. However, Mr Fisher said earnings growth would be "quite modest, in the mid-single digit range, unless we see considerably more growth than now anticipated".

Earnings this year would be "essentially level" with 1992, he added. Then, the company recorded net income of $1.15bn, or $3.26 a share.

Kodak's share price tumbled $6½ to $56⅝ as analysts rushed to cut their estimates for the company's earnings. Prudential Securities cut its estimates for this year by 30 cents a share, to $3.25. Before today's news, analysts had been estimating Kodak's 1994 earnings at up to $4.75 a share. Prudential revised 1994 earnings per share down from $4.75 to $3.50.

Mr Jack Kelly, analyst at Goldman Sachs, cut his earnings estimate for 1994 to $2.70 a share and blamed yesterday's sharp share price drop on market confusion over the company's cost-cutting plans. He said that the 10,000 job cuts announced in August apparently will not achieve the kind of earnings that the market had been anticipating.

Kodak had already warned that it would not meet an earlier forecast of record earnings next year.

Mr Fisher, hired from Motorola, where he was chairman, to replace the ousted Mr Kay Whitmore, continued to emphasise growth as the main way for Kodak to shrug off its earlier problems. While saying the company would have to lower its costs "over time", he admitted this was not the long-term answer.

"More importantly, we have begun to work on ways to profitably grow in several of our key businesses," he said.

The company would not make earnings forecasts in future, Mr Fisher said.

Christopher Parkes and David Waller report on the latest innovations planned by German carmaker

Daimler set for secondary NY share offering

Daimler-Benz is planning a 10-city marketing roadshow in the US early next year to promote the planned public offering in New York of 3.2 per cent of the group's stock currently owned by Deutsche Bank.

The aim is to increase the volume of trade in Daimler shares in New York, said Mr Gerhard Liener, group finance director.

The secondary offering of 15m American depositary shares (ADS), each representing one tenth of an ordinary Daimler share, with a current market value of more than DM1bn, would come at the end of January or the start of February, he added.

The underwriters also have an option to acquire up to 2.25m extra ADSs, representing a further 225,000 ordinary shares, to cover over-allotments.

The offering is believed to be the second-biggest recorded by a European company in the US, after British Telecom.

The move, which would cut Deutsche Bank's holding in Daimler to slightly under 25 per cent, "in no way represents a watershed in relations between our two companies", Mr Liener claimed.

Although speculation persists that further reductions in the bank's holding are likely, Mr Liener said the close ties between the two companies would continue.

Deutsche's offering is part of a growing trend among German banks to liberate capital for more fruitful deployment in the mainstream banking business.

The sale of Daimler shares follows the group's listing on the NYSE on October 5, which made it the first German company to be traded there. The timing of the new offering is linked to the conversion, expected to be approved this week, of shares in MAH into ordinary Daimler stock.

MAH is a holding company, set up at Daimler's initiative in the 1970s to hold 25 per cent of the group's stock and protect it from takeover.

In a statement agreed with Deutsche, Mr Liener said the bank did not wish to be the only stockholder retaining a blocking minority.

"We intend to offer a good third of the share capital made available to private stockholders," he said.

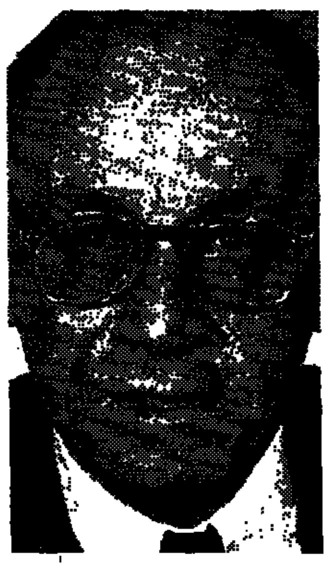
US institutional investors were also being targeted. Daimler had only 60 on its register with shares worth some $200m, compared with more than 400 institutions holding at least $13bn of shares in each of the "big three" US car companies, Mr Liener added.

Managing underwriters for the offering will be CJ Lawrence/Deutsche Bank Securities, Merrill Lynch and Goldman Sachs. CJ Lawrence/Deutsche is to act as lead book-running manager in co-operation with Merrill Lynch.

Confirming nine-month net losses of DM2bn by US accounting standards and a DM181m deficit by German rules, Mr Edzard Reuter, group chairman, said operating results, especially at the Mercedes-Benz automotive group, were improving.

Incoming orders for the new C-Class model were 70 per cent up on last year's levels.

Lex, Page 16; BAe, Page 23



Edzard Reuter, group chairman

Back to the future: the A-Class is the company's first venture into the small car market

Union deal keeps mini for Germany

Mercedes-Benz is to build its revolutionary mini-car in Germany as a result of a deal with the workforce which will reduce the company's labour costs by DM200m ($120m) a year, according to Mr Helmut Werner, chairman.

Mercedes, mainstay of the loss-making Daimler-Benz group, will spend DM500m fitting out its new but under-used plant at Rastatt in south-west Germany.

Production of the so-called A-Class, the company's first venture into the small car market, will start in 1997. A year later, when there will be capacity to produce 200,000 cars a year, the plant will employ around 3,000. At present, 1,300 put together fewer than 200 E-Class executive saloons a day.

After a late-night deal with the Mercedes workers' councils, Mr Werner presented the decision as evidence of how well the German system of co-determination functioned. Other potential sites – in Britain, France and the Czech Republic – "had such great cost advantages over Germany that a decision for Rastatt on economic considerations seemed almost impossible," he declared.

And yet labour and management pulled off a near miracle. Quite how was not spelt out, but details include union acceptance of modest pay cuts and smaller bonuses for all workers, shorter working weeks for some, and Saturday working without overtime pay in a trade-off for concessions to ease the pain of planned job cuts. Measures include early retirement rather than compulsory redundancies. Daimler is in the process of cutting 51,000 jobs group-wide, more than half at Mercedes.

Although differing in the detail, the cost-saving scheme resembles an agreement at Adam Opel, the local General Motors subsidiary which ensured that its plant at Kaiserslautern was chosen to manufacture a new diesel engine.

Together with the wage cuts associated with the planned introduction of Volkswagen's "four-day week", the deals add substance to the view that motor manufacturers, at least, have come to grips with the inflexible working practices and excessive wage costs blamed for most of the structural problems plaguing German industry.

Daimler, which yesterday reported a nine-month loss of DM2bn, under newly adopted US accounting principles, is feeling the need for change more than most. But it is also feeling other pressures. It has announced the closure of six Deutsche Aerospace (Dasa) sites and a radical shake-out at its lame-duck AEG subsidiary, involving the sale of the domestic appliances business to Electrolux.

In relative terms its job-cutting is no more rigorous than the hundreds of other economy drives. Its global workforce is still around 375,000. But as Germany's largest industrial concern, it is tending to become the focus for the frustrations of the manufacturing workforce nationwide. Demonstrations against the Dasa closures and the loss of AEG's independence have reinforced this impression.

After announcing several investments in vehicle manufacture outside Germany, if the group had "exported" the A-Class car jobs to France, Britain or the Czech Republic, it would probably have unleashed new waves of protest within Mercedes.

In light of its recent New York Stock Exchange listing and the impending public offering of part of Deutsche Bank's Daimler stake, the group's efforts to gain credibility in the world's largest capital market would scarcely be helped by further hue and cry.

But whatever the political considerations, Rastatt was always the preferred choice. Proclaimed by Mr Werner Niefer, Mr Werner's late predecessor, as "simply the most up-to-date automotive factory in the world," it was in most ways ideal. Linked into the Mercedes logistics system, with top-quality experienced labour at hand – and space aplenty – it was the logical launch pad for the brand's venture into unknown territory in the small car market.

Raising the possibility of the work going elsewhere now appears to have been largely bluff, but it worked well enough.

Air France and EBRD seek refund for Czech airline

By Patrick Blum in Vienna

Air France and the European Bank for Reconstruction and Development (EBRD) are demanding financial compensation from the Czech Government after claiming that they overpaid for their minority holdings in CSA, the Czech national airline.

The Air France Group in partnership with the French state financial institute, Caisse des Depots, and the EBRD each acquired slightly less than 20 per cent of the Czech group's capital in 1992 for a total of $60m. The National Property Fund, a Czech institution set up to administer privatisations and oversee the state's shareholdings, is the largest shareholder with 49 per cent stake. Small shareholders hold the rest.

Air France yesterday said "constructive conversations" were taking place with the Czech government but declined to give details. The French airline, which provided crew training and other services in payment for a large share of its own interest in CSA, and the EBRD are understood to be seeking a capital injection by the Czech government into CSA to compensate for the over-valuation of the airline at the time of the original transaction.

The discrepancy in the airline's valuation came to light in an internal audit report published last week showing that the airline was overvalued by about Kcs746m ($25m). This was due in part to the original calculation having being made on the nominal value of tickets sold without taking discounted fares into account.

The row will come to a head on Monday at an extraordinary shareholders' meeting in Prague, which will also attempt to resolve the Czech airline's growing financial crisis. Government officials expect CSA to make a Kcs1.2bn loss this year, following a loss of Kcs211m in 1992.

According to Czech press reports, Air France is increasingly concerned by CSA's mounting losses.

Mr Vaclav Klaus, the Czech prime minister, said recently the government would not provide any more finance for CSA until the roots of its present crisis had been properly established.

YSL loses Champagne appeal

By Alice Rawsthorn in Paris

The French champagne industry yesterday won its legal battle to ban Yves Saint-Laurent, the French fashion house, from using the name Champagne for its latest women's perfume in France.

The appeals court upheld an earlier verdict in the industry's favour by ruling that YSL and Elf Sanofi, its parent company, must by December 31 stop using the name Champagne for the fragrance and its publicity in France.

Mr Claude Saujet, chairman of Elf Sanofi's beauty products division, said his company would comply with the ruling by removing the word "Champagne" from the product, its packaging and promotional material. "We didn't want a fight," he said. "We're going to obey the law."

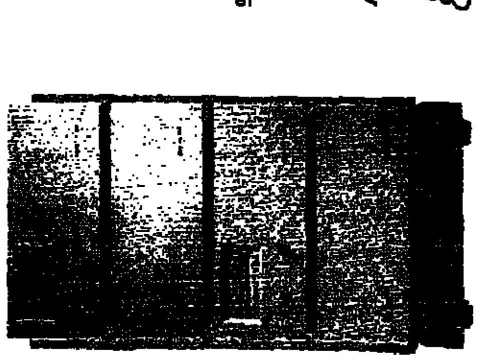
The perfume, which was launched in Europe in September, will continue to be sold in France in its original bottle, which resembles a champagne cork. The only name on the product will be that of Yves Saint-Laurent. It will still be called Champagne outside France.

Elf Sanofi, which earlier this year acquired YSL in a FFr3.6bn ($614m) deal, now the subject of an official investigation into alleged insider trading, sought to play down the financial implications of the ban.

Mr Jean-Paul Leon, executive vice-president, said it expected to incur costs of no more than FFr10m in abandoning the name. He said Champagne had been "a great success" by generating turnover of FFr200m in its first three months in Europe. It was the best-selling fine fragrance in France, he said.

Elf Sanofi has spent FFr100m on launching Champagne which means that, unusually for a perfume in its first year, the product is already profitable.

However, the French ban could affect the long-term potential of Champagne if the domestic name change confuses overseas customers.



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More cash for Magyar Suzuki

By Nicholas Denton in Budapest

Suzuki Motor of Japan and its partners in the Magyar Suzuki joint venture in Hungary yesterday agreed to increase equity to Ft11.7bn ($117m) after heavy losses at the car assembly operation.

The infusion more than doubles Magyar Suzuki's original equity of Ft5.5bn, with which the venture was established in 1991 as the largest Japanese investment in eastern Europe. Total project costs exceed Y32bn ($293m).

Suzuki, the parent company, will control 49.9 per cent of the capital compared with 40 per cent when the group was formed. This follows a vote of shareholders yesterday.

Suzuki's partner Itochu, the Japanese trading house, takes 15.5 per cent compared with 11 per cent in 1991.

Suzuki attributed the losses, which it has not quantified, to the depreciation of the Hungarian currency against the yen. Exchange rate movements made the import of parts from Japan more expensive, and increased the burden of Magyar Suzuki's yen borrowings, which the company can now repay.

In addition, recession and the importation of second-hand cars have depressed the Hungarian new car market.

Local industry analysts also say many Hungarian customers regard the Swift hatchback model produced at Suzuki's factory in Esztergom as too small.

Sales have recently begun to increase, with Suzuki forecasting 7,600 local sales and a 25 per cent market share for 1993. The company is nevertheless trying to gain easier access to the EU market so it can offload output originally planned to reach 50,000 by the third year of production.

To meet EU requirements, Magyar Suzuki plans to increase domestic content to 50 per cent and EU content to 10 per cent. Suzuki executives have said, therefore, that they plan to use part of the capital infusion to help domestic component suppliers meet Japanese quality standards.

The Hungarian government supported the recapitalisation by granting a Ft1.3bn guarantee to Autokonszern, the group of Hungarian companies which had an original 40 per cent stake in Magyar Suzuki, now lowered to 30.1 per cent.

The authorities, faced with demands for cash from the budget and loss-making state enterprises, were reluctant to back the infusion, but wanted to avoid a dilution in the Hungarian stake below 25 per cent.

The government said earlier its support was necessary to avoid bankruptcy at Magyar Suzuki.

"The government did not want to scare away Japanese capital by having the failure of a Japanese company in Hungary," said Mr Szabolcs Szekeres, chairman of the state holding company AVRT.

French hotels group warns of sharp fall

By Alice Rawsthorn in Paris

Société des Bains de Mer (SBM), the hotel and casino group and the biggest single company in Monaco, yesterday warned of a sharp fall in net profits for the current financial year.

SBM, which owns the famous Monte Carlo Casino and the luxurious Hotel de Paris and Hotel Hermitage, reported an 18 per cent reduction in interim net profits, to FFr88.1m ($15.03m) in the six months to September 30, from FFr107.6m in the same period of 1992.

The group blamed the fall on the difficult economic environment, and on financial charges relating to its ongoing investment programme and pension provision.

It said the summer season had been reasonably robust in spite of the pressures on the European economy, and particularly the Mediterranean tourist market. It also made progress in controlling costs. However, group turnover fell 11.6 per cent during the first half, to FFr932.7m from FFr1.06bn.

The problem posed by this slowdown in activity was aggravated by the volatile nature of SBM's casino business, which provided 73 per cent of turnover in the last full financial year. The profitability of its gaming interests is heavily dependent on the size of gamblers' stakes and by the rate of wins and losses.

Finmeccanica plans sale of 19% stake in Ansaldo

By Haig Simonian in Milan

Finmeccanica, the Italian state-controlled engineering group, is selling about 19 per cent of its quoted Ansaldo Trasporti subsidiary in a further attempt to raise cash and limit its stake in the company.

The placing will cut Finmeccanica's holding to 67 per cent from more than 86 per cent. The group has been hit by the recession and plunging demand for the aerospace products of its Alenia subsidiary.

In recent weeks, Finmeccanica has launched US initial public offerings for minority stakes in its Union Switch & Signal and Elsag Bailey Process Automation subsidiaries.

The latest deal is being managed by Paribas and Lehman Brothers. Finmeccanica formerly held about 60 per cent of Ansaldo Trasporti, but its share rose after an acquisition last year.

First-half 1993 sales at Ansaldo Trasporti fell sharply to L318.7bn ($188m) from L407.5bn, while new orders dropped by more than half to L324.5bn.

Finmeccanica's own first-half results showed a pre-tax loss of L159.9bn against net profits of L180.5bn in the same period in 1992. The group is expected to break even in the full year due to asset sales.

● Price Waterhouse, the international auditing and consulting group which is being sued by the new management of Italy's troubled Ferruzzi-Montedison group, has decided to join the legal action being taken against five ex-Montedison managers and the heirs of Mr Raul Gardini, the group's former head.

Price Waterhouse alleges the individuals knowingly concealed "fraudulent acts" and "violated the obligations imposed on them by law" in relation to their auditors. The auditors are demanding compensation for damage caused and indemnification against any claims for compensation.

Casa chief moves over to Inespal

By Tom Burns in Madrid

Mr Javier Alvarez Vara, president of the Spanish aerospace company Casa for the past seven years, has been appointed head of Inespal, the aluminium producer. The move is part of a reshuffle of top jobs in Spain's state-owned corporations.

In a second move, Mr Manuel Fernandez Garcia, a former trade unionist who became chairman of the nationalised capital goods manufacturer Babcock & Wilcox in 1985, has been promoted to head the group of companies that form the industrial backbone of the Instituto Nacional de Industria (INI), the public-sector holding company.

The changes appear to represent an attempt by INI to put its more successful executives into the holding's trouble spots.

However, Mr Alvarez and Mr Fernandez will be missed at Casa and Babcock & Wilcox respectively. Both companies have recently returned to profitability after years of losses and are now seen as possible candidates for privatisation.

Inespal is forecast to lose between Pta35bn and Pta40bn ($250m-$286m) this year on sales of Pta100bn.

Porsche seeks to raise DM200m

By David Waller in Frankfurt

Porsche, the German luxury sports car company, is planning a rights issue which will probably raise about DM200m ($117m) in cash to help fund the development of its new model range.

"This decision shows that the Porsche and Piëch families who own the company remain committed to preserving Porsche as an independent company," Porsche said. "With this decision the families also demonstrate that they are convinced of a speedy recovery for the company."

The Stuttgart-based company said that family shareholders (who own all the group's ordinary shares) and outside shareholders (who can buy the group's quoted preference shares) would participate in the issue in equal measure.

Porsche said that turnover for the last financial year was DM1.9bn, down from DM2.7bn in the previous year. Full details of the group's earnings situation will be presented next month, but it is thought that Porsche will report a loss of around DM250m for the last financial year.

Current-year losses are believed to be running at half of last year's level, and Porsche is unlikely to break even until the 1994-95 business year.

In spite of its poor earnings situation, Porsche is a cash-rich company, with about DM650m in net cash before 1992-93 losses are taken into account. This cash will be whittled away by losses, but the group could have financed the DM1.5bn cost of developing two new models without recourse to the capital markets, the company said yesterday.

The group's losses are due to the combination of a sharp fall in demand for its luxury vehicles and the costs of developing the new models. Porsche's unit sales have fallen from a peak of 53,254 in 1986, pushing the group into losses.

Dutch bank agrees Polish deal

By Christopher Bobinski in Warsaw

ING Bank of the Netherlands yesterday signed a letter of intent with the Polish government under which it promises to buy a 25.9 per cent stake in the Bank Slaski, the second of the country's state-owned banks to be privatised.

The 2.4m shares are priced at 500,000 zlotys (US$24.20) each, making the investment worth around $58m when the agreement is signed early next month.

The deal is the first acquisition by a western commercial bank of a significant share in an eastern European bank.

It is also one of the largest foreign investment projects in Poland to date.

Mr Gerrit Tammes, the vice-chairman of the group's banking arm, said that the purchase meant technical assistance for the Bank Slaski, while ING would be acquiring "knowledge of the market".

● The European Bank for Reconstruction and Development (EBRD) is soon due to approve a $165m financial package for Fiat Auto Poland, the Italian carmaker's subsidiary in Bielsko Biala which makes the Cinquecento and Fiat 126 models.

The package is to consist of a $40m equity stake, which would amount to around 10 per cent of the company's share capital, and $120m in loans – part of which would come direct from the EBRD and the remainder syndicated by the bank.

Fiat is due to produce around 250,000 vehicles at Bielsko this year and plans to start assembly of the Uno model there next year.

Danisco sees improvement

Danisco, the Danish food, drinks and packaging producer, expects improved earnings in the second half of the current financial year and a higher overall result, Reuter reports from Copenhagen.

"The whole year 1993-94 result before tax and extraordinary items is expected to be somewhat better than for 1992-93," the company said. This exceeds forecasts at last September's group annual general meeting.

Go-ahead for Schering merger

By Judy Dempsey in Berlin

Schering, the Berlin-based pharmaceuticals and chemicals company, yesterday won approval from shareholders to merge its agrochemical division with Hoechst.

The merger, which will allow Schering to concentrate on the core pharmaceutical business, will create a group with a combined annual turnover of DM3bn ($1.75bn), making it the world's second-largest company in this sector. Hoeschst will be the majority shareholder with 60 per cent of the capital.

The joint venture, called Hoechst Schering Agro, will have an equity of DM700m.

Mr Guiseppe Vita, chairman of Schering, said turnover in the company's agrochemical sector had fallen 8 per cent since November last year. He said earnings for 1993 "would not reach the expected after-tax level of DM11m". The company blamed the decline on the fall in plant protection sales.

Hoechst expects a net profit of DM42m from its own agrochemical divisions this year, rising to DM117m in 1994.

The announcement of the merger yesterday coincided with a fall in Schering's shares after Behringwerke, a subsidiary of Hoechst, said it would next week present the first results of trials for a new multiple sclerosis drug.

Analysts said the trials could pose competition for Betaseron, Schering's multiple sclerosis treatment.

Daily Mail makes bonus issue of non-voting shares

By Raymond Snoddy in London

The Dail Mail and General Trust yesterday announced a bonus issue of non-voting shares in an attempt to increase liquidity in the stock.

The move responds to City concerns that the share price of around £116 ($171.7m) was too "lumpy", leading to thin trading and difficulty with screen formats. The issue will be on the basis of nine non-voting shares for each voting and non-voting share.

The issue will not alter the ownership of the DMGT, with Lord Rothermere, chairman, and family interests continuing to hold 50 per cent of the total equity and 75 per cent of the voting shares.

DMGT, publishers of the Daily Mail and the Mail on Sunday, also announced annual pre-tax profits of £66.7m, up 74 per cent on the previous year's restated figure, on turnover of £683.9m.

Trading profit in the year to October 3, before reorganisation and redundancy costs, increased by £9.7m to £89.1m.

A final dividend of 112p makes a total of 148p for the year compared with 130p. Adjusted earnings per share, before exceptional items, rose from 400.6p to 501.6p.

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LSE considers small companies exchange plan

By Norma Cohen, Investments Correspondent

The London Stock Exchange board will today consider a proposal to create a separately managed exchange with its own chief executive to handle trading in the shares of smaller companies.

This exchange will operate under the aegis of the main stock exchange and certain of its activities will be under stock exchange control.

The proposal is contained in a report from the London Stock Exchange's own smaller companies working party.

QVC raises objections to Paramount auction rules

By Martin Dickson in New York

QVC Network, the television shopping company making a hostile $10bn takeover bid for Paramount Communications, yesterday raised a string of objections to the ground rules announced by Paramount for an auction of the company.

QVC complained that the procedures provided "no assurance of fair treatment".

The move follows Paramount's announcement on Tuesday of the procedures it will adopt in order to comply with an order by the Delaware supreme court that it ensures equal treatment of bids for the company from QVC and Viacom, the cable-TV company.

Paramount had reached a friendly $9.5bn takeover agreement with Viacom, and had previously refused to consider seriously QVC's higher offer.

Paramount announced on Tuesday that it would hold a single round of bidding, with each bidder submitting its best and highest offer by next Monday, December 20.

Mr Martin Lipton, QVC's legal adviser, said in a letter to Lazard Frères, Paramount's financial adviser, that the record of the Paramount board "does nothing to inspire QVC's confidence that the board will be objective in exercising the unbridled discretion it has reserved to itself – particularly in that those who orchestrated the past violations are going to continue to be intimately involved in the process."

He complained that the procedures purported to reserve to the board the power to extend the submission date for bids; to "negotiate" the bid of one bidder with the other; and to "change the procedures at any time without prior notice".

He hypothesised that if QVC were the highest bidder on December 20, the Paramount board might decide to "negotiate" the QVC bid with Viacom, "extend" the submission date and elicit a higher Viacom bid.

On the other hand, if Viacom were the highest bidder on December 20, the board could close the bidding and block any subsequent, higher QVC offer.

Mr Lipton proposed a series of detailed changes, including an acceleration of the Paramount board's timetable for evaluation of the offers, which he said would not take place until January 7. He called for this to be brought forward to December 23.

He added that QVC believed a preferable approach was "open and public bidding until the highest offer is received, with the shareholders then being afforded the opportunity to make an unfettered choice in the light of the board's recommendation".

Vitro and Corning end venture

By Damian Fraser in Mexico City

Vitro and Corning, the Mexican and US glass companies, have decided to end joint ownership of their consumer glassware divisions, although they will continue an alliance through supply and distribution agreements.

The companies formed two subsidiaries, Vitro Corning and Corning Vitro. Both will sell their minority stakes to their partners. Corning will also pay Vitro $131m, roughly the amount Vitro paid Corning when joint ownership was concluded last January.

Corning Vitro had sales last year of more than $700m and Vitro Corning achieved turnover of about $236m.

The joint ventures suffered from the different administrative practices of the two companies. "Managing from two countries was more complicated than we anticipated," said Corning. "There were different [management] structures, styles and accounting systems."

Corning said the different needs of customers in the US and Mexico complicated the integration of sales and distribution. Corning's US customers, especially the large discount stores, expect the timely and regular delivery of products packaged in a certain way, while Vitro's Mexican customers are less demanding.

"The separate ownership structure will allow each company to concentrate on their respective businesses, while relieved of the complexities of managing two different operations in rapidly changing markets," said Corning. "Both companies need increased flexibility to respond more quickly to customer expectations and the marketplace."

Corning separately announced that with Siecor Corporation, a joint venture with Siemens of Germany, it had agreed to acquire the fibre-optic cable business of Canada's Northern Telecom for $130m. Corning will provide $87m and Siecor $43m.

Corning intends to finance the Vitro and Northern Telecom transactions with an equity offering in the first quarter of 1994. The two transactions and related financing will not affect Corning's earnings per share or debt to capital ratio, the company said.

SAS considers non-core sales

By Hugh Carnegy in Stockholm

Scandinavian Airline Systems (SAS) said it is considering the sale of all its non-core operations as it reorganises following the collapse of the Alcazar joint airline project and seeks to stem a recent spate of heavy losses.

"We will concentrate on our flight operations and sell our other operations," Mr Jan Reinas, chief executive, said in a newspaper interview published yesterday.

"In principle, everything that is not directly connected to flight operations is on our potential sale list. Some sales are in the final phase." He did not specify which.

The main non-core SAS operations include eight hotels, the Nordic operation of Diners Club credit cards and part of SAS Service partner, a catering unit previously wholly owned by the airline.

Mr Reinas said that SAS would seek to strengthen its existing links with British Midland Airways, Swissair and Austrian Airlines. The company is to raise its holding in British Holdings, British Midland's parent, to 40 per cent from 35 per cent next July.

The chief executive said that "time will tell" if SAS would at some stage acquire all of British Midland, but SAS officials said he did not mean to imply any foreseeable intention to do so.

Mr Reinas, a Norwegian who is due to leave SAS next April, said that the airline was studying whether its complex structure, grouping Swedish, Danish and Norwegian-owned companies, could not be reduced to a more efficient single structure.

Share sales cut Wallenbergs' holding in SKF

Investor, the main holding company of Sweden's powerful Wallenberg family, yesterday said it had sold more shares in SKF, the world's largest roller bearing group, as part of its debt reduction programme, writes Christopher Brown-Humes in Stockholm.

The sale of 1.375m 'A' shares, equal to 2.8 per cent of SKF's voting rights and 1.0 per cent of its capital, will have raised about SKr180m ($21.3m). The sale reduces Investor's holding in SKF to 33.0 per cent of the votes and 12.3 per cent of the capital.

Zenith sees savings of $50m from shake-up

By Laurie Morse in Chicago

Zenith, the troubled US television and electronics manufacturer, plans to re-engineer its core consumer electronics and cable businesses and restructure other product lines.

The reorganisation, which comes barely a year after the company's last significant restructuring, will result in a fourth-quarter charge to earnings of about $30m, the company said.

The charge will require the company to amend a $90m revolving credit agreement with GE Capital, its lead lender.

The restructuring will affect Zenith's computer monitor and magnetics businesses, where production capacity is being reduced.

The action will affect two production plants in Mexico and, to a lesser extent, manufacturing operations near Zenith's headquarters in Glenview, Illinois.

Combined with previously-announced restructurings, Zenith expects the moves to reduce costs by about $50m in 1994.

ANZ again has its accounts qualified

ANZ, the Australian financial services group, has had its 1993 accounts qualified for the second successive year because of doubts surrounding the company's A$250m (US$163m) exposure to court action in India, report Bruce Jacques in Sydney and agencies.

KPMG Peat Marwick, the group's accountant, said uncertainties remained on the outcome of a claim totalling Rs5.06bn (US$161.3m) against ANZ by the National Housing Bank of India.

But the auditors added that they agreed with the basis upon which the financial statements were presented.

The claim arises from a financial crisis in India which resulted in an agreement for arbitration over the disputed monies.

Under the previously-announced agreement, ANZ Grindlays in India has paid the Rs5.06m to the National Housing Bank of India, but can have the amount returned with interest if it successfully defends the claim.

ANZ directors said in the company's annual report, released yesterday, the arbitration was unlikely to be completed before the middle of 1994.

They also noted "inadvertent breaches of India's Foreign Exchange Regulation Act" by ANZ Grindlays.

"These matters were discovered by our staff and reported to the relevant authorities for investigation," ANZ directors said.

"After reviewing these issues in detail, directors do not consider it necessary to make any provision for loss."

As previously reported, ANZ made a net profit of A$246.5m in the year to September 30 compared with a loss of A$579m a year earlier.

Poseidon Gold in bid for Aztec

By Bruce Jacques

Poseidon Gold, part of the Australian-based Normandy Poseidon mining group, has launched a A$268m (US$180m) bid for Aztec Mining, the gold and base metals miner. The bid, which has been the subject of market speculation recently, was immediately rejected by Aztec's chairman.

Poseidon Gold is offering 68 cents a share for Aztec, compared with the last sales transaction on Tuesday of 58 cents. News of the bid sent the shares to 70 cents.

Mr Tom Johnston, the chairman of Aztec, last night rejected the Poseidon bid and urged shareholders to take no action pending further advice.

"I have spoken with directors of Aztec's 37 per cent shareholder, Alumax (the US metals group) and they agree that the bid is opportunistic, ill-timed and unwelcome," Mr Johnston said.

"They will not accept this offer. It has been made at a low point in the base metals price cycle."

Poseidon Gold directors said they were primarily interested in Aztec's 62 per cent-controlled Bounty gold mine and would review other assets, including interests in other base metals mines.

Malaysia sells 32% stake in carrier

By Kieran Cooke in Kuala Lumpur

The Malaysian government is selling a 32 per cent stake in Malaysia Airlines (MAS), the national carrier, in a deal worth M$1.79bn (US$700m).

The shares, part of a 42 per cent MAS stake held by Bank Negara, the Malaysian central bank, are being acquired by Malaysian Helicopter Services (MHS), a company dealing in support services for the oil and gas industry.

It is understood that the sale is being arranged through a share swap, based on two MAS shares for one MHS share. The share prices of both MAS and MHS have risen recently on rumours of a deal. MAS shares last traded on Friday at M$7.35, while MHS stock traded at M$15.70.

"The sale represents another step by the government to privatise further the national airline," the finance ministry said. "With this sale, the majority of Malaysia Airlines shares will be in the hands of the private sector, including non-residents."

Analysts say the government has taken advantage of a buoyant Kuala Lumpur stock market to rid itself of shares in what has become a financially troubled company.

MHS will become the biggest shareholder in MAS, which was partially privatised in 1985. MHS is controlled by Mr Tajuddin Ramli, who is one of Malaysia's leading business personalities. Mr Ramli's main company is Technology Resources Industries, which is mainly involved in the telecommunications sector.

Fledgling group aims to lift MAS

Financial problems have dogged the airline, reports **Kieran Cooke**

In the early 1990s Malaysia Airlines (MAS) surprised the aviation world by announcing a multi-billion dollar aircraft purchase programme, at a time when the storm clouds of an industry recession were already gathering. As part of of its present five-year development plan, MAS has orders for 72 aircraft costing a total of M$10.6bn (US$4.16bn).

Yesterday it was announced that another substantial tranche of shares previously held by the government would be transferred to the private sector. MAS clearly hopes the deal will pave the way to making the airline a leading international and regional carrier.

"We want to turn MAS into one of the super excellent airlines in the world in terms of schedules and services," says Mr Kamaruddin Ahmad, MAS's managing director.

But it is far from clear whether MAS's new controllers will be able to realise those ambitions and transform the flagging financial fortunes of one of south-east Asia's biggest carriers.

With less government control, MAS could become a leaner, more market-oriented organisation. But there are worries about the viability of a deal which will see MAS pass into the hands of a group of investors with little experience of international airlines.

There are also concerns about the financial health of what is one of the world's fastest-growing carriers.

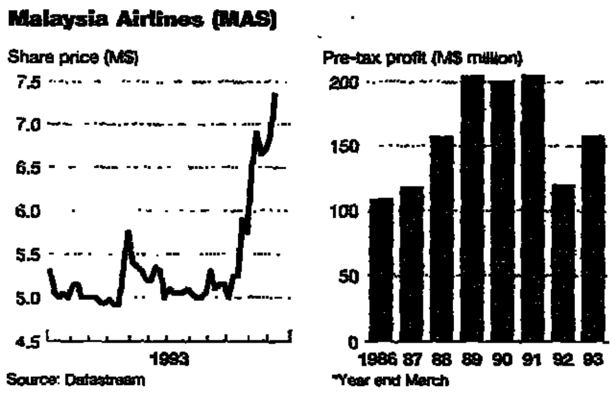
MAS began as Malaysian Airlines before the second world war. In the 1960s, it was known as Malaysia-Singapore Airlines. In the early 1970s, the organisation was split into MAS and Singapore Airlines (SIA).

While SIA has become one of the world's most financially successful carriers, MAS has struggled to achieve profits, even though it carries more passengers than its neighbour and competitor.

In 1992-93, MAS had pre-tax profits of M$157m, less than half the M$372m forecast when the airline raised US$700m at the end of 1992 in what was Malaysia's biggest rights issue. Moreover, the profit included M$337m from aircraft sales. If this had been stripped out, MAS would have recorded a loss of M$180m.

A 20 per cent increase in domestic fares together with a restructuring have so far failed to produce results. Pre-tax profits for the six months to September 1993 were M$6.4m, a 96 per cent drop on the year-earlier period.

While MAS points out that it is performing well compared with many other airlines, analysts say the carrier should be doing better, given that it is based in a region which is the world's fastest expanding passenger market. The International Air Transport Association says passenger traffic in south-east Asia is growing by more than 9 per cent a year, compared with less than 4 per cent in Europe and 5 per cent in North America.



Source: Datastream

*Year end March

MAS's overall load factor, an important performance indicator, has dropped from 66 per cent in 1991-92 to 63 per cent in 1992-93. Too much capacity has been added on some routes while there is not enough on others.

"Bad planning and government interference have been the main problems at MAS," says one analyst. "The expansion plan was overly ambitious and timed over too short a period, causing considerable funding problems.

"Then the government has pushed MAS into opening routes to places like Mexico City and Johannesburg – more for political than commercial reasons. It also only recently allowed it to increase fares on loss-making domestic routes. A wholesale sort-out is urgently needed, including big cuts in staff numbers."

Malaysia Helicopter Services (MHS), the company that is acquiring the MAS shares, is a relatively small group involved in support services for the oil and gas industries. It has a stake in Pelangi Air, a small Malaysian carrier, and has been offered a share in a proposed second Malaysian carrier. MHS also recently announced that it was taking a 25 per cent stake in World Airways, the US passenger and cargo carrier, for $27.4m.

But the company has little experience of the international airline business and there are doubts about its capacity to handle an airline of the size and complexity of MAS.

There is also the question of just how independent of the government MAS's new controllers will be. MHS is known to have close connections to senior figures in government. One of the company's backers is said to be Mr Daim Zainuddin, a former finance minister who is one of Malaysia's richest men and treasurer of the United Malays National Organisation (UMNO), the country's dominant political party.

Industry observers fear the government is being too hasty in taking advantage of the high MAS share price to sell its stake. "The government will be ridding itself of what has become a financially troubled company", said one airline analyst. "But the question is how much benefit will MAS get out of the exercise? I still think there are going to be troubled times ahead."

MCI announces $150m charge

By Patrick Harverson in New York

MCI Communications, the second-largest US long-distance telephone company, said yesterday it would take a one-off charge of up to $150m in the fourth quarter to cover the cost of its continuing realignment into three strategic groups.

Under the reorganisation, which was announced in September, MCI is scrapping four domestic divisions and one international unit, and creating three separate groups – one for US operations, one for overseas business, and one for emerging technologies such as interactive multimedia and wireless communications.

The costs incurred have been related mostly to the streamlining of MCI's engineering and network operations facilities, and the relocation of those operations to lower-cost areas.

The latest charge against earnings will also help to pay for various commercial litigation contingencies and other restructuring moves, including those linked to its forthcoming acquisition of British Telecom North America.

MCI says the reorganisation, due to be completed by the end of next year, will not change the size of its overall workforce.

Lion Nathan expects jump in profits

By Terry Hall in Wellington

Lion Nathan, the Australasian brewer, expects profits in the current financial year to exceed NZ$200m (US$111m), a rise of more than 40 per cent, the chief executive, Mr Douglas Myers, told yesterday's annual meeting.

Mr Myers said the stronger profits in the year to June would be achieved by higher productivity, particularly at the company's four Australian breweries, and improved market performance.

The recent purchase of the South Australian Brewing Company means Lion Nathan now accounts for 46 per cent of the Australian market.

Mr Myers said market share in Australia had been improving in recent months, while in New Zealand it remained at historically high levels.

In the first quarter, volumes in the soft drinks joint venture with PepsiCo were 20 per cent ahead in Australia and 30 per cent in New Zealand.

Mr Myers said the company has spent a considerable amount of time exploring high growth areas in Asia. A number of possible joint ventures were being explored in China, which on current growth trends would be the world's biggest beer market soon after the turn of the century.

Screen-based trading moves ahead in Italy

Italy's move to fully computerised share trading gathers pace today with the transfer of 70 more stocks to the screen-based network, writes Haig Simonian in Milan.

This follows a more important shift earlier this year, when some of the most heavily-traded stocks transferred to screen-based trading.

The latest transfer brings to 152 the number of shares traded on-screen. It marks the fifth switch of shares to the screen-based system since computer-based trading made its debut in November 1991 with shares in five companies.

By early next year, the bourse hopes computer-based trading will cover almost all the 331 separate issues listed.

From next January, 32 lightly-traded warrants and the four foreign stocks listed in Milan will be covered by the new five-day settlement period, compared with up to six weeks at present.

Inflation data boosts long-dated UK gilts

By Sara Webb in London and Frank McGurty in New York

Good news on the inflation front provided the UK government bond market with an excuse to climb still higher yesterday, with long-dated gilts gaining up to half a point at one stage and leaving the market a quarter point higher on the day.

However, the release of strong retail sales figures dampened hopes of an imminent cut in the base rate, leaving the short end of the market unchanged or slightly lower on the day.

The November inflation data was better than expected. It left the annual rate unchanged at 1.4 per cent but depressed the underlying rate (excluding mortgage interest) to 2.5 per cent year-on-year, down from 2.8 per cent in October.

Gilts rallied on the news, but slipped back later on to close a quarter point higher at the long end.

Retail sales figures for November were stronger than expected, and the healthy consumer spending pattern led the market to tone down its hopes of a near-term rate cut.

■ The main European government bond markets yesterday appeared to have recovered from the shock of the Russian election results and generally ended higher on the day.

After a tumultuous day on Tuesday, bunds recovered yesterday with dealers stressing that the market had earlier over-reacted.

The main news was the announcement of a new 30-year Federal bond issue, details of which will be revealed on December 28. The existing ultra-long Federal issue underperformed the rest of the market on the news.

Market participants will be waiting to see the outcome of today's Bundesbank council meeting and ensuing press conference at which the central bank will announce its 1994 money supply growth target. Dealers said they expect the target range to stay unchanged at 4.5 to 6.5 per cent.

■ Spanish government bonds edged up on foreign buying ahead of the release of inflation figures yesterday, and the market ended firmer across the yield curve.

GOVERNMENT BONDS

Although the year-on-year inflation figure edged up to 4.7 per cent last month from 4.6 per cent in October, dealers said the figure was in line with expectations and that the market paid closer attention to underlying inflation, which showed a rise of 5 per cent, against 5.3 per cent in October.

Among the other high-yielding markets, Italian government bonds gained on hopes of a cut in interest rates and expectations that the 1994 budget will be approved shortly.

At yesterday's auction of a further L1,500bn of Italy's 30-year bond, dealers said demand was "pretty good", giving a cover ratio of about 1.6 times, while the net yield on the bond has fallen to 8.25 per cent from 8.62 per cent when the first tranche was sold.

■ US Treasuries were firmer across the yield curve yesterday morning despite further evidence that the manufacturing sector had entered a period of expansion.

By midday, the benchmark 30-year government bond was 5/32 higher at 99¾, to yield 6.263 per cent. At the short end of the market, the two-year note was 1/16 ahead at 100 1/16, yielding 4.199 per cent.

The market took in its stride a pair of economic reports which joined a growing list of indicators pointing to strong economic growth in the fourth quarter.

In its sharpest move this year, industrial production in November rose 0.9 per cent, compared with forecasts of about 0.6 per cent and a revised October gain of 0.7 per cent. Capacity utilisation climbed 0.6 percentage points to 83 per cent, its highest rate since August 1989.

The muted response suggested that the news had already been factored into the long end of the market, which is most sensitive to signs of inflationary pressures. Declining gold prices provided further support and as the morning progressed, the long bond gathered strength in thin trading.

Bonds with shorter maturities edged higher on expectations that the Treasury would not increase the size of its monthly auction of two-year and five-year notes. Some analysts had previously thought this likely. An afternoon announcement from the Treasury was scheduled.

Foreign bank creditors of Efim agree compromise

By Haig Simonian in Milan

Foreign bank creditors of Efim, the former Italian state holding company, have this week been repaid a string of international loans – some 17 months after the company was put into voluntary liquidation in July 1992.

However, the settlement of the dispute, which at one stage threatened Italy's standing as an international borrower, still leaves unresolved the position of loans taken out by former Efim subsidiaries which are not 100 per cent owned by the parent company.

The deal between Mr Alberto Predieri, Efim's special administrator, and creditor banks covers six international loans in dollars, sterling and Ecu. Creditor banks will receive all the principal due, along with 70 per cent of the interest.

The banks' willingness to forgo the remaining interest partly reflected satisfaction at finally being paid after a string of disappointments this year, as reimbursement appeared imminent and was then postponed.

The compromise also indicates hopes on the part of the banks that the Italian authorities will now look more favourably on calls for full repayment of loans to Efim subsidiaries which were not wholly owned by the parent company. Such borrowers include Agusta (helicopters), Alumix (aluminium) and Breda (railway equipment).

The banks' willingness to compromise on interest was also influenced by resolution of the bitter dispute over outstanding swap contracts taken out by Efim, and then terminated by bank counterparties after the company was deemed to be in default.

Bundesbank plans 30-year issue

By Tracy Corrigan and Sara Webb in London, and David Waller in Frankfurt

The Bundesbank will set the terms for a new 30-year government bond offering, its first for eight years, on December 28. The central bank said other 30-year issues would follow and a 30-year issue for the Treuhand, the German privatisation agency, is planned for March.

The move signified a determination to make use of the long end of the German yield curve on a regular basis. "There will be more of these. The Bundesbank is committed to use this segment of the market in a routine way," it said.

Following the announcement, the Deutsche Terminbörse, Germany's futures exchange, said it will launch a new futures contract based on 15 to 30-year Treuhand bonds and Bunds in late February or early March next year.

The DTB said the decision was based on the Bundesbank's commitment to create a liquid market in long-dated Bunds. "If there is a liquid underlying market, then we should offer a product," it said.

The Bundesbank described the two moves as "a concerted action", designed to strengthen the attractions of Finanzplatz Deutschland, Germany as a financial centre.

It described the new issue as a response to demand from German and international investors. However, dealers said that the existing 2016 bund underperformed the market yesterday.

Its yield spread over the 10-year bund has widened from 42 basis points last week to about 50 points. "There is no sign of clients queueing up for a very long-dated issue," said one trader.

A European bond analyst said: "We heard rumours that the 30-year issue would be launched at a spread of 50bp over 10-year bunds but that would be very tight. We think it is more likely to be 60–65bp over the 10-year as this would be in line with spreads in France and Holland."

The DTB contract, provisionally named the Buxl (Bund extra-long) future, will have a notional 6 per cent coupon.

The DTB already lists Bund (long-term) and Bobl (medium-term) futures, and will launch a Fibor (short-term German interest rate) contract on March 18, allowing DTB members to trade the entire German yield curve.

An official at Liffe, the DTB's arch-rival for market share in German interest rate products, said it was "too early to consider" launching a 30-year Bund contract.

Moldova forms stock exchange

Former Soviet Moldova has set up its first stock exchange to trade shares in enterprises being privatised, said Mr Oleg Crasnogon, deputy finance minister, Reuter reports.

The exchange, with a founding capital of $60,000 has been formed by commercial banks and investment trust companies.

"The market will shortly be full of shares in enterprises being privatised," Mr Crasnogon said.

Moldova plans to sell 30 per cent of state-owned property, or some 1,600 enterprises, by end-1994.

Economists say the percentage may be closer to 40–45 per cent given sell-offs of state collective farms, which are being converted into joint stock companies.

CCF offers two-year floating-rate notes

By Antonia Sharpe

Crédit Commercial de France (CCF) provided some interest in a quiet Eurobond market yesterday when it raised FFr3.5bn through an offering of two-year floating-rate notes (FRNs).

INTERNATIONAL BONDS

An official at the bank said that the short maturity of the notes would appeal to domestic money-market funds, short-term funds and corporate treasurers.

He added that, as well as injecting fresh liquidity into the short end of the market, the issue was also the first FRN offering to be linked to the Paris inter-bank offered rate (Pibor), the short-term French interest rate, since late 1990.

The notes, which carry a quarterly coupon equal to three-month Pibor, were priced at 99.91 to give a yield of five basis points over Pibor. When they were freed to trade the notes slipped to 99.85 bid, to yield seven basis points over Pibor.

● Standard & Poor's, the international credit rating agency, said yesterday that it had lowered its rating on Banesto's short-term debt to A2 from A1 and removed it from Credit Watch where it was placed with negative implications in June.

S&P said that its action reflected the sharp increase in the Spanish bank's non-performing loans (to 8.28 per cent of total loans as of September this year from 4.87 per cent in September 1992) and the negative effect that this deterioration in asset quality was having on the bank's income statement.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees %	Spread bp	Book runner
YEN							
Commerzbank O'seas Fin.(a)‡	10bn	(a)	103.60	Apr.1998	undisc.	-	Sanwa International
FRENCH FRANCS							
Crédit Commercial de France‡	3.5bn	(b)	99.91R	Jan.1996	0.125R	-	CCF
SWISS FRANCS							
World Bank*	250	4.00	102.375	Jan.2002	-	-	Banque Paribas(Suisse)

Final terms and non-callable unless stated. The yield spread (over relevant government bond) at launch is supplied by the lead manager. *Private placement. ‡Floating rate note. R: fixed re-offer price; fees are shown at the re-offer level. a) Long 1st coupon. Coupon: 3-month Libor +0.71%. b) Coupon: 3-month Pibor flat.

Mixed feelings on Italian bonds

Italy and Spain are the most favoured European bond markets for the first half of 1994, while Italy and the UK are the least favoured, according to a survey of 70 traders, economists and fund managers by IDEA, the market analysis company, writes Tracy Corrigan.

The findings of the survey reflect the strong divergence of views on the Italian market.

The survey also showed a wide range of expectations on the performance of the UK gilts market, with predictions for 10-year yields at the end of June ranging from 5.25 per cent to 7.2 per cent with a median of 6.45; they are currently at 6.3 per cent.

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Day's change	Yield	Week ago	Month ago
Australia		10.000	10/02	121.0500	–0.650	6.79	6.72	6.63
Belgium		9.000	03/03	116.0800	+0.140	6.62	6.67	6.83
Canada *		7.500	12/03	104.8500	–0.450	6.82	6.71	6.77
Denmark		8.000	05/03	112.3200	+0.100	6.22	6.28	5.83
France	BTAN	8.500	05/98	109.6800	+0.090	5.16	6.06	6.08
	OAT	6.750	10/03	107.1000	+0.430	5.84	5.99	5.96
Germany		6.000	09/03	101.8300	–0.040	5.75	5.81	6.85
Italy		9.000	10/03	101.9100	+0.140	8.70†	8.96	9.16
Japan	No 119	4.800	06/99	111.4180	+0.050	2.45	2.50	2.97
	No 157	4.500	06/03	110.0350	+0.080	3.13	3.17	3.58
Netherlands		6.500	04/03	105.5800	+0.280	5.71	5.75	5.76
Spain		10.500	10/03	114.1000	+0.050	8.34	8.42	8.48
UK Gilts		9.750	01/98	114–22	-1/32	5.63	5.70	6.11
		8.000	06/03	112–02	+9/32	6.29	6.38	6.67
		9.000	10/08	123–01	+9/32	6.55	6.67	7.02
US Treasury *		5.750	08/03	99–24	–4/32	5.78	5.70	5.59
		6.250	08/23	99–23	–12/32	6.27	6.18	6.13
ECU (French Govt)		8.000	04/03	112.8400	–0.660	6.15	6.14	6.30

London closing, *New York mid-day. Yields: Local market standard. † Gross annual yield (including withholding tax at 12.5 per cent payable by nonresidents). Prices: US, UK in 32nds, others in decimal. Source: MMS International

BOND FUTURES AND OPTIONS

France

■ NOTIONAL FRENCH BOND FUTURES (MATIF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Dec	125.34	126.50	+0.20	125.58	125.32	11,713	57,950
Mar	129.42	129.64	+0.18	129.76	129.40	150,361	128,791
Jun	128.92	129.10	+0.18	129.20	128.92	231	3,044

■ LONG TERM FRENCH BOND OPTIONS (MATIF)

Strike Price	CALLS Jan	CALLS Mar	CALLS Jun	PUTS Jan	PUTS Mar	PUTS Jun
125	-	4.71	-	-	0.09	-
126	-	-	-	-	0.16	0.56
127	-	-	-	0.02	0.28	-
128	1.67	2.08	-	0.05	0.48	-
129	0.78	1.39	1.62	0.17	0.79	1.52
130	0.24	0.87	-	0.62	1.24	-

Est. vol. total, Calls 22,244 Puts 22,527. Previous day's open int., Calls 203,836 Puts 198,262.

Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	100.53	100.70	+0.38	100.75	100.35	101420	150841
Jun	100.38	100.65	+0.39	100.54	100.38	117	1084

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

Strike Price	CALLS Mar	CALLS Jun	PUTS Mar	PUTS Jun
10050	0.83	1.18	0.63	1.03
10100	0.59	0.93	0.89	1.28
10150	0.40	0.73	1.20	1.58

Est. vol. total, Calls 13739 Puts 7056. Previous day's open int., Calls 159887 Puts 88870

■ NOTIONAL MEDIUM TERM GERMAN GOVT. BOND (BOBL)(LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	103.40	103.40	0.15	103.45	103.29	1446	11179

Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	116.40	116.74	0.57	116.77	116.17	23122	72499
Jun	116.50	116.69	0.59	116.50	116.30	11	154

■ ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

Strike Price	CALLS Mar	CALLS Jun	PUTS Mar	PUTS Jun
11650	1.91	2.96	1.67	2.77
11700	1.65	2.72	1.91	3.03
11750	1.42	2.49	2.18	3.30

Est. vol. total, Calls 1553 Puts 600. Previous day's open int., Calls 30128 Puts 31178

Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	103.90	103.95	+0.34	104.06	103.74	21,360	73,570
Jun	103.90	103.86	-0.01	103.99	103.90	301	2,321

UK

■ NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	119-20	119-23	+0-10	119-31	119-07	1503	6954
Mar	118-28	118-30	+0-10	119-10	118-13	87319	125410
Jun	-	118-07	+0-10	-	-	0	89

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

Strike Price	CALLS Mar	CALLS Jun	PUTS Mar	PUTS Jun
118	1-60	2-19	1-00	2-05
119	1-24	1-53	1-28	2-39
120	0-59	1-27	1-63	3-13

Est. vol. total, Calls 1898 Puts 5147. Previous day's open int., Calls 60041 Puts 30962

Ecu

■ ECU BOND FUTURES (MATIF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Dec	121.60	121.32	-0.18	121.68	121.12	430	3,848
Mar	120.78	120.70	-0.14	121.14	120.60	1,684	10,774

US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Dec	115-20	115-20	-0.04	115-28	115-18	16,875	51,874
Mar	114-13	114-14	-0.03	114-22	114-10	245,890	254,533
Jun	113-11	113-11	-0.06	113-99	113-08	2,290	10,327
Sep	112-17	112-13	-0.02	112-19	112-13	721	14,628

Japan

■ NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100%

	Open	Close	Change	High	Low	Est. vol	Open int.
Mar	116.33	-	-	116.44	116.29	1540	0

* LIFFE contracts traded on APT. All Open interest figs. are for previous day.

FT-ACTUARIES FIXED INTEREST INDICES

Price Indices UK Gilts	Wed Dec 15	Day's change %	Tue Dec 14	Accrued interest	xd adj. ytd		Low coupon yield Dec 15	Low coupon yield Dec 14	Low coupon yield Yr. ago	Medium coupon yield Dec 15	Medium coupon yield Dec 14	Medium coupon yield Yr. ago	High coupon yield Dec 15	High coupon yield Dec 14	High coupon yield Yr. ago
1 Up to 5 years (25)	130.47	–0.09	130.87	2.14	10.72	5 yrs	5.65	5.61	7.30	5.87	5.85	7.62	5.96	5.94	7.86
2 5-15 years (22)	162.10	+0.06	162.00	2.05	12.52	15 yrs	6.43	6.45	8.28	6.56	6.57	8.69	6.76	6.78	8.97
3 Over 15 years (8)	189.28	+0.17	188.96	2.72	11.21	20 yrs	6.54	6.54	8.51	6.58	6.60	8.84	6.77	6.80	9.05
4 Irredeemables (6)	225.15	–0.20	225.60	1.69	13.71	Irred.†	6.67	6.66	8.92						
5 All stocks (61)	157.23	+0.03	157.29	2.21	11.82										

Index-linked							Inflation 5% Dec 15	Inflation 5% Dec 14	Inflation 5% Yr. ago	Inflation 10% Dec 15	Inflation 10% Dec 14	Inflation 10% Yr. ago
6 Up to 5 years (2)	191.96	–0.24	192.41	1.01	4.28	Up to 5 yrs	1.91	2.00	2.56	1.01	1.22	1.69
7 Over 5 years (11)	191.45	–0.08	191.61	1.00	4.73	Over 5 yrs	2.94	2.97	3.97	2.75	2.81	3.77
8 All stocks (13)	190.57	–0.10	190.76	1.00	4.67							

Debentures and Loans						5 year yield Dec 15	5 year yield Dec 14	5 year yield Yr. ago	15 year yield Dec 15	15 year yield Dec 14	15 year yield Yr. ago	25 year yield Dec 15	25 year yield Dec 14	25 year yield Yr. ago
9 Debs & Loans (65)	150.44	–0.17	150.70	1.85	11.16	7.33	7.34	9.00	7.62	7.60	9.95	7.74	7.72	10.14

Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: 11% and over. † Flat yield. ytd Year to date.

FT FIXED INTEREST INDICES

	Dec 15	Dec 14	Dec 13	Dec 10	Dec 9	Yr ago	High*	Low*
Govt. Secs. (UK)	106.69	106.82	106.68	106.52	106.31	93.57	106.82	93.28
Fixed Interest	130.35	130.24	129.98	129.82	129.49	108.61	130.35	108.67

* for 1993. Government Securities high since compilation: 127.40 (9/1/35), low 49.18 (3/1/75). Fixed Interest high since compilation: 130.35 (15/12/93), low 50.53 (3/1/75). Basis 100: Government Securities 15/10/26 and Fixed Interest 1928. SE activity indices rebased 1974

GILT EDGED ACTIVITY INDICES

	Dec 14	Dec 13	Dec 10	Dec 9	Dec 8
Gilt Edged bargains	92.9	83.8	102.4	108.2	122.71
5-day average	102.0	104.9	109.0	107.5	107.2

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 7:05 pm on December 15

	Issued	Bid	Offer	Chg.	Yield
U.S. DOLLAR STRAIGHTS					
Abbey Natl Treasury 6½ 03	1000	100⅜	100¾	-¼	6.44
AlbertaProvince 9⅜ 95	600	108½	108¾		4.50
Austria 8½ 00	400	113¾	114	-⅛	5.76
Bank of Tokyo 8⅜ 96	100	107¼	107⅝	+⅛	4.94
Belgium 9⅝ 98	250	116¼	116½		5.49
BFCE 7¼ 97	150	107¾	108¼	-⅛	5.07
British Gas 0 21	1500	13	13⅜	-⅛	7.59
Canada 9 96	1000	109	109⅜	-⅛	4.59
CCCE 9¼ 95	300	105⅞	106⅛	-⅛	4.15
Cheung Kong Fin 5½ 98	500	97⅛	97½	-⅛	6.20
Council Europe 8 98	100	107½	108		4.88
Credit Foncier 9½ 99	300	117	117⅜	-⅛	5.62
Denmark 9¼ 95	1671	106⅛	106⅜		4.16
ECSC 8¼ 96	193	108⅛	109⅛	+⅛	5.00
EEC 8¼ 96	100	108	108⅛	+⅛	4.78
EIB 7¾ 96	250	106⅞	107⅛	+⅛	4.62
EIB 9¼ 97	1000	113¾	114⅛	-⅛	5.27
Elec de France 9 98	200	113¼	113⅝	-⅛	5.41
Eurofima 9¼ 96	100	109⅜	109⅞	-⅛	4.73
Ex-Im Bank Japan 8 02	500	111½	111⅞	-⅛	6.20
Export Dev Corp 9½ 98	150	115½	115⅞	-⅛	5.56
Finland 7⅞ 97	200	107⅝	108	+⅛	5.24
Finnish Export 9⅜ 95	200	106½	106⅞		4.50
Ford Motor Credit 6¼ 98	1500	102¼	102⅝		5.72
Gen Elec Capital 9⅜ 96	300	110⅛	110⅜	-⅛	4.91
GMAC 9⅜ 98	200	108	108½	+⅛	5.23
Ind Bk Japan Fin 7⅞ 97	200	107⅛	108	+⅛	5.39
Inter Amer Dev 7⅜ 98	200	107⅜	107½		4.77
Italy 6⅞ 23	3500	94⅞	95	-⅞	7.45
Japan Dev Bk 8⅜ 01	500	113⅞	114	-⅛	5.98
Kansai Elec Pwr 10 98	350	110⅞	111⅛	-⅛	4.86
LTCB Fin 8 97	200	106⅞	107⅛	+⅛	5.51
Matsushita Elec 7¼ 02	1000	105⅞	106	-⅛	6.49
Nippon Cred Bk 10⅛ 95	150	109½	109⅞	-¼	4.82
Nippon Tel Tel 9⅞ 95	200	105⅞	106⅛	-⅛	4.29
Norway 7¼ 97	1000	108½	108¾	-⅛	5.07
Ontario 7⅜ 03	3000	109¼	109½	-⅛	6.56
Oster Kontrollbank 8½ 01	200	114⅛	114¾	-¼	5.96
Petro-Canada 7¼ 96	300	105¼	105⅝		4.88
Portugal 5¾ 03	1000	95⅞	96⅛	-⅛	6.42
Quebec Hydro 9¾ 98	150	115½	116⅛	-⅛	5.93
Quebec Prov 9 98	200	111⅝	112¼	+⅛	5.86
Sainsbury 9⅛ 98	150	110⅛	110⅝		5.13
SAS 10 99	200	113⅜	114⅛	-⅛	6.84
SBAB 9½ 96	500	107⅛	107½		4.32
SNCF 9½ 98	150	115⅝	116⅛		5.46
Spain 6½ 99	1500	103⅝	103⅞	-⅛	5.74
State Bk NSW 8½ 96	200	108⅛	108⅜	+⅛	5.05
Sweden 5½ 95	2000	102	102¼		4.41
Swedish Export 8⅜ 98	700	107⅝	108		4.80
Tokyo Elec Power 8⅛ 96	300	109⅛	109⅛		4.93
Tokyo Metropolis 8¼ 96	200	108⅞	109¼		4.88
Toyota Motor 5⅝ 98	1500	100½	100¾	-⅛	5.48
United Kingdom 7¼ 02	3000	107⅛	107⅜	-⅛	6.18
World Bank 8⅜ 99	1500	113⅞	114⅛		5.62
World Bank 8¼ 97	1500	111½	111¾	-⅛	4.89
DEUTSCHE MARK STRAIGHTS					
Austria 5⅞ 97	500	102¼	102¾		5.10
Belgium 7¼ 02	500	109⅞	110¼	-½	6.17
Credit Foncier 7¼ 03	2000	106⅞	107⅛	+⅛	6.24
Denmark 6⅛ 98	2000	103¼	103⅝	+⅛	5.26
Deutsche Finance 7½ 95	1000	102⅛	102½		5.22
ECSC 8⅜ 96	700	108¼	108⅝	-⅛	5.22
EEC 6½ 00	2800	105½	105⅞	-⅛	5.50
EIB 7½ 99	500	111	111⅜	+¼	5.31
Finland 7½ 00	3000	108⅜	108⅝	+⅛	5.83
Ireland 7¾ 02	500	109⅞	109⅞		6.33
Italy 7¼ 98	5000	105⅞	106⅛	+⅛	5.46
Spain 7¼ 03	4000	107⅛	107⅜	+⅛	6.21
Sweden 8 97	2500	109	109⅜		5.37
Tokyo Elec Power 7⅝ 02	1000	109	109¼	-⅛	6.27

	Issued	Bid	Offer	Chg.	Yield
United Kingdom 7⅛ 97	5500	106⅜	106⅝	+¼	5.15
Volkswagen Intl Fin 7 03	1000	102⅝	103⅛	-⅛	6.61
World Bank 0 15	2000	27⅞	28⅛	-⅛	6.00
World Bank 5⅜ 96	300	102¼	102¾		4.66
World Bank 8⅛ 00	1250	117⅝	118	-⅛	5.39
SWISS FRANC STRAIGHTS					
Asian Dev Bank 6 10	100	115¼	115½	-¼	4.68
Austria 4½ 00	1000	103⅝	103⅞	+⅛	3.83
Council Europe 4¾ 98	250	103½	103¾	+¼	3.82
EIB 6¼ 04	300	114½			4.98
Elec de France 7¼ 06	100	117			5.31
Finland 7¼ 99	300	114½	115	-¼	4.37
General Motors 7½ 95	100	103	103¾	-½	6.04
Hyundai Motor Fin 8½ 97	100	109	110½		5.74
Iceland 7⅞ 00	100	116	116½		4.75
Kobe 6⅜ 01	240	112¼	112¾		4.44
Ontario 6¼ 03	400	110⅞	111⅛	-⅛	4.75
Quebec Hydro 5 08	100	100	101		5.00
SNCF 7 04	450	119½	120		4.66
World Bank 5 03	150	103	103½		4.60
World Bank 7 01	600	116½	116¾	-⅛	4.29
YEN STRAIGHTS					
Belgium 5 99	75000	109⅛	109⅝		3.26
Denmark 7 95	40000	105⅜	105⅝		2.11
EIB 6⅝ 00	100000	118⅝	118⅞	+⅛	3.28
Elec de France 5⅜ 96	20000	108¾	109¼	-⅛	2.41
Finland 6⅜ 96	50000	109⅝	110		2.30
Inter Amer Dev 7¼ 00	30000	122¼	122½		3.34
Japan Dev Bk 5 99	100000	110½	110⅞		3.00
Japan Dev Bk 6½ 01	120000	120⅛	120⅞	-⅛	3.49
Nippon Tel Tel 5⅞ 96	50000	109⅝	109⅞		2.26
Norway 5⅛ 95	50000	103¾	104	-⅛	2.19
SNCF 6¼ 00	30000	118⅜	118⅝	-⅛	3.41
Sweden 5⅜ 95	20000	108⅛	108⅜		2.07
World Bank 6⅞ 00	50000	119⅜	119⅝		3.27
OTHER STRAIGHTS					
Arbed 7½ 95 LFr	600	99½	100½		7.80
Genfinance Lux 9⅛ 99 LFr	1000	107½	109½		7.36
World Bank 8 99 LFr	1000	101½	102½		7.25
Bank Voor Ned Gem 7⅝ 02 Fl	1000	109½	110		6.22
Energie Beheer 8⅜ 98 Fl	500	113	113⅜		5.84
AlbertaProvince 10⅝ 96 C$	600	110⅜	110¾		5.40
Bell Canada 10⅝ 99 C$	150	115⅞	116¼	-⅛	7.09
British Columbia 10 96 C$	500	110	110½	-⅛	6.52
EIB 10⅛ 98 C$	130	114	114¼	-¼	6.25
Elec de France 9¾ 99 C$	275	114⅛	114⅝		6.69
Gen Elec Capital 10 96 C$	300	109⅝	110⅛		5.71
KfW Int Fin 10 01 C$	400	116⅛	116⅝		7.06
Nippon Tel Tel 10¼ 99 C$	200	116	116½	+⅛	6.83
Ontario 8 03 C$	1500	103⅞	104¼	-⅛	7.56
Ontario Hydro 10⅞ 99 C$	500	117⅝	118		6.78
Oster Kontrollbank 10¼ 99 C$	150	116⅛	116⅝	-⅛	6.69
Quebec Prov 10½ 98 C$	200	115⅝	116⅛		6.69
Belgium 9⅛ 96 Ecu	1250	107¼	107⅝	-⅛	5.85
Council Europe 9 01 Ecu	1100	117¼	117½		6.19
Credit Lyonnais 9 98 Ecu	125	105⅞	106⅜	-⅛	6.26
EIB 10 97 Ecu	1125	112⅛	112⅝	-⅛	5.61
Ferro del Stat 10⅛ 98 Ecu	500	113⅝	114	-⅛	6.22
Italy 10⅝ 00 Ecu	1000	122½	122¾	+⅛	6.32
Spain 9 98 Ecu	1000	107⅛	107⅝	-⅛	5.65
United Kingdom 9⅛ 01 Ecu	2750	117¼	117⅝		6.00
AIDC 10 99 A$	100	113⅛	114½	-⅛	6.86
BP America 12¼ 96 A$	100	112	112½		6.27
Comm Bk Australia 13¾ 99 A$	100	131½	131⅞	-¼	6.92
Eksportfinans 12⅜ 95 A$	75	109¼	109⅝	+⅛	5.84
McDonalds Canada 15 95 A$	100	113⅛	113½	+⅛	6.78
NSW Treasury Zero 0 20 A$	1000	14¼	14½	+⅛	7.50
R & I Bank 7¾ 03 A$	125	102½	102¾	-⅛	7.36
Sth Aust Govt Fin 9 02 A$	150	109½	110	-½	7.46
Unilever Australia 12 98 A$	150	119¼	119¾	-⅛	6.89

	Issued	Bid	Offer	Chg.	Yield
Alliance Leics 11⅜ 97 £	100	116¼	116¾	-⅛	5.93
British Gas 12¾ 95 £	300	108¼	108⅝		5.20
British Land 12½ 16 £	150	141½	142	+⅛	8.53
EIB 10 97 £	837	112¼	112⅝	-⅛	5.62
Halifax 10⅜ 97 £	100	113⅛	113⅝	-⅛	5.77
Hanson 10⅜ 97 £	500	113⅝	114		6.27
HSBC Holdings 11.69 02 £	153	125	125½		7.61
Italy 10½ 14 £	400	130	130⅛		7.58
Japan Dev Bk 7 00 £	200	104⅛	105	+⅛	6.12
Land Secs 9½ 07 £	200	115½	115⅞	+⅛	7.80
Ontario 11⅛ 01 £	100	123⅛	123¾	+⅛	6.87
Powergen 8⅞ 03 £	250	112⅞	113¼	+⅛	6.94
Severn Trent 11½ 99 £	150	122¼	122⅝	+⅛	6.58
Tokyo Elec Power 11 01 £	150	124⅜	125⅛		6.67
World Bank 11¼ 95 £	100	107⅞	108⅛		5.28
Abbey National 0 98 NZ$	100	84	85	+⅛	8.42
TCNZ Fin 9¼ 02 NZ$	75	114⅛	115⅜	+⅛	6.95
CEPME 10 95 FFr	2000	106⅛	106½		5.68
Elec de France 8¾ 22 FFr	3000	123⅞	124⅜	+⅛	6.82
SNCF 9¼ 97 FFr	4000	111⅛	111½		5.48

FLOATING RATE NOTES

	Issued	Bid	Offer	C.cpn
Banco Roma 0 99	200	99.48	99.71	3.1875
Belgium 1/16 97 DM	500	99.96	100.06	6.4375
BFCE -0.02 96	350	99.81	99.98	3.4175
Britannia 0.10 96 £	150	99.86	99.95	5.7875
CCCE 0 06 Ecu	200	98.71	98.97	6.6406
Citicorp Bkg ¼ 95	400	100.01	100.36	5.2500
Credit Lyonnais ⅛ 00	300	99.95	100.45	5.0000
Denmark -⅛ 96	1000	99.50	99.60	3.1875
Dresdner Finance 1/16 98 DM	1000	99.96	100.05	6.5078
Elec de France ⅛ 99	400	101.41	102.22	5.2500
Ferro del Stat 0.10 97	420	99.72	99.83	3.2250
Finland 0 97	1000	99.96	100.05	3.5000
Halifax BS 1/16 95 £	350	99.97	100.03	5.6750
Ireland 0 98	300	99.73	99.87	3.4400
Italy ⅛ 98	2000	100.38	100.47	3.4375
Leeds Permanent ⅛ 96 £	200	99.96	100.06	6.0625
Lloyds Bank Perp S 0.10	600	83.01	84.48	3.5375
Malaysia 1/16 05	650	100.01	100.35	5.2500
Nationwide 0.08 96 £	300	99.81	99.92	5.5175
New Zealand ⅛ 98	250	99.99	100.10	3.4590
Renfe 0 98	500	99.41	99.61	3.3750
Societe Generale 0 98	300	99.62	99.75	3.2812
Staatsbank Berlin -0.05 98 DM	6000	99.97	100.06	6.6983
State Bk Victoria 0.05 99	125	99.63	99.75	3.5500
Sweden 0 98	1500	100.12	100.19	3.5000
United Kingdom -⅛ 96	4000	99.82	99.89	2.9375

CONVERTIBLE BONDS

	Issued	Conv. Price	Bid	Offer	Prem.
Browning-Ferris 6¾ 05	400	52½	100⅛	100⅞	+96.36
Chubb Capital 6 98	250	86	107⅛	108⅛	+18.58
Eastman Kodak 6⅜ 01	300	50.67	121⅛	122⅛	-2.19
Gold Kalgoorlie 7½ 00	65	1.0554	109¾	110⅞	+38.26
Hanson 9½ 06 £	500	2.5875	123¼	124	+21.03
Hawley Pref 6 02	400	19.1	133⅞	135½	
Land Secs 6¾ 02 £	84	6.72	114¾	115¾	-2.64
Lasmo 7¾ 05 £	90	5.64	90½	91½	
Mitsui Bank 2⅝ 03	200	2332.6	92¼	94¼	+21.54
Mount Isa Fin 6½ 97	100	2.283	101¼	102⅛	+38.14
Natl Power 6¼ 08 £	250	4.33	130	130⅞	+19.04
Ogden 6 02	85	39.077	95¾	96¾	+64.51
Smith Nephew 4 02 £	90	1.776	132⅝	133½	+62.35
Sumitomo Bank 3⅜ 04	300	3606.9	97	98	+35.35
Sun Alliance 7¼ 06 £	155	3.9	116	116⅞	+23.95
Tesco Capital 9 05 £	200	2.51	119⅜	120¼	+46.52
Texas Instruments 2¾ 02	300	62⅞	100	100⅞	+37.55

* No information available - previous day's price
‡ Only one market maker supplied a price

STRAIGHT BONDS: The yield is the yield to redemption of the bid-price; the amount issued is in millions of currency units. Chg. day=Change on day.
FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. Spread=Margin above six-month offered rate (three-month above mean rate) for US dollars. C.cpn=The current coupon.
CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

UK GILTS PRICES

Notes	Yield Int	Yield Red	Price £	+ or –	1993 High	1993 Low
"Shorts" (Lives up to Five Years)						
Treas 8½pc 1994	8.47	5.49	100[illegible]	—	102[illegible]	100[illegible]
14½pc 1994‡‡	14.22	5.34	101[illegible]	—	109¼	101[illegible]
Exch 13½pc 1994	13.11	5.10	103	—	109[illegible]	103
Treas. 10pc Ln. 1994‡‡	9.77	5.08	102[illegible]	—	105[illegible]	102[illegible]
Exch 12½pc 1994	11.30	4.07	105	–[illegible]	110[illegible]	105
Treas 9pc 1994‡‡	8.68	4.92	103[illegible]	—	105[illegible]	103[illegible]
12pc 1995	11.17	4.97	107[illegible]	–[illegible]	111[illegible]	107[illegible]
Exch 3pc Gas 90-95	3.07	4.64	97[illegible]	—	97¼	94
10¼pc 1995	9.48	5.04	108[illegible]xd	–[illegible]	109⅝	107[illegible]
Treas 12¾pc 1995‡‡	11.18	5.01	114	–[illegible]	116⅞	113½
14pc 1996	11.91	5.06	117[illegible]	–[illegible]	120⅝	116[illegible]
15¼pc 1996‡‡	12.46	5.16	122⅛	–[illegible]	125⅞	121⅝
Exch 13¼pc 1996‡‡	11.22	5.17	118⅛	–⅛	120⅛	115¼
Conversion 10pc 1996	8.89	5.31	112½	–⅛	112⅝	108⅞
Treas 13¼pc 1997‡‡	10.87	5.41	121[illegible]	–[illegible]	122[illegible]	118⅛
Exch 10½pc 1997	9.17	5.43	114[illegible]	–[illegible]	114[illegible]	110[illegible]
Treas 8¾pc 1997‡‡	7.91	5.49	110⅝	–[illegible]	110⅞	105½
Exch 15pc 1997	11.37	5.65	131[illegible]	–[illegible]	132[illegible]	127[illegible]
9¾pc 1998	8.51	5.67	114⅛xd	–⅛	114¼	109⅞
Treas 7¼pc 1998‡‡	6.84	5.61	106	–[illegible]	106¼	99[illegible]
7¼pc 1998 B‡‡	6.85	5.62	105[illegible]	–[illegible]	106[illegible]	101[illegible]
Treas 6¾pc 1995-98‡‡	6.60	5.02	102¼	—	102⅛	97[illegible]
14pc '96-1	10.68	5.67	131[illegible]	–[illegible]	131[illegible]	125[illegible]
Five to Fifteen Years						
Treas 15½pc '98‡‡	11.08	5.90	139[illegible]	–[illegible]	140[illegible]	133[illegible]
Exch 12pc 1998	9.55	5.89	125[illegible]	–[illegible]	125[illegible]	118⅛
Treas 9½pc 1999‡‡	8.21	5.86	115[illegible]xd	–[illegible]	115[illegible]	108[illegible]
Exch 12¼pc 1999	9.58	5.99	127⅞	–⅛	128[illegible]	120[illegible]
Treas 10½pc 1999	8.69	5.93	120⅞	–[illegible]	121	112[illegible]
Treas 6pc 1999‡‡	6.06	5.79	100[illegible]	–⅛	101[illegible]	98¼
Conversion 10¼pc 1999	8.45	6.01	120[illegible]	–[illegible]	120[illegible]	112[illegible]
9pc 2000‡‡	7.80	5.97	115[illegible]	–[illegible]	115⅞	106
Treas 13pc 2000	9.55	6.21	136[illegible]xd	–[illegible]	136¼	125½
10pc 2001	8.25	6.27	121[illegible]	–[illegible]	121[illegible]	109[illegible]
7pc '01‡‡	6.69	6.13	105[illegible]	+[illegible]	105[illegible]	97[illegible]
9¾pc 2002	7.98	6.39	122[illegible]	—	122[illegible]	108⅛
8pc 2003‡‡	7.14	6.29	112	+[illegible]	112¼	97[illegible]
10pc 2003	7.98	6.41	125⅛	+[illegible]	125⅞	109⅝
Treas 11½pc 2001-4	8.95	6.49	128[illegible]	+[illegible]	128¼	116⅞
Funding 3½pc '99-4	4.13	5.41	84[illegible]xd	+[illegible]	84⅞	67[illegible]
Conversion 9½pc 2004	7.68	6.41	123¾	+⅛	124[illegible]	105⅞
Treas 6¾pc 2004	6.52	6.28	103[illegible]	+⅛	103[illegible]	97⅛
6¾pc 2004 A (£50 Pd)	6.54	6.32	53[illegible]	+⅛	53[illegible]	52⅛
Conv 9½pc 2005	7.66	6.45	124[illegible]	+[illegible]	124⅛	105⅞
Treas 12½pc 2003-5	8.81	6.65	141[illegible]	+[illegible]	142[illegible]	124[illegible]
7¾pc 2006‡‡	6.99	6.47	110[illegible]	+⅛	111⅛	94[illegible]
8pc 2002-6‡‡	7.25	6.43	110[illegible]	+[illegible]	110⅝	94[illegible]
Treas 11¾pc 2003-7	8.74	6.63	134[illegible]	+[illegible]	134[illegible]	118[illegible]
Treas 8½pc 2007‡‡	7.23	6.52	117[illegible]xd	+[illegible]	117[illegible]	97[illegible]
8½pc 2007 C‡‡	7.28	6.57	116¾xd	—	116[illegible]	108⅛
13½pc '04-8	9.00	6.68	149[illegible]	+[illegible]	150[illegible]	131[illegible]
Over Fifteen Years						
Treas 9pc 2008‡‡	7.32	6.54	122[illegible]	+⅛	123[illegible]	101¼
9pc 2008	7.03	6.56	113¼	–[illegible]	114[illegible]	92[illegible]
Conv 9pc Ln 2011‡‡	7.20	6.58	124[illegible]xd	+[illegible]	125⅞	100½
Treas 9pc 2012‡‡	7.18	6.57	125[illegible]	+[illegible]	126⅛	100[illegible]
Treas 5½pc 2008-12‡‡	5.96	6.17	92[illegible]	+[illegible]	92[illegible]	70⅛
Treas 8pc 2013‡‡	6.90	6.54	115[illegible]	+[illegible]	116[illegible]	93[illegible]
7¾pc 2012-15‡‡	6.88	6.50	112[illegible]	+[illegible]	113[illegible]	89⅝
Treas 8¾pc 2017‡‡	6.93	6.65	126[illegible]	+[illegible]	128⅛	97[illegible]
Exch 12pc '13-17	7.64	6.74	157[illegible]	+[illegible]	157[illegible]	125[illegible]
Undated						
Consols 4pc	6.88	-	58⅛	–[illegible]	58½	43⅝
War Loan 3½pc‡‡	6.58	-	53⅛xd	–[illegible]	53⅞	38⅞
Conv 3½pc '61 Aft.	5.00	-	69[illegible]	–[illegible]	70⅛	60⅞
Treas 3pc '66 Aft.	6.90	-	43[illegible]	–[illegible]	44[illegible]	33½
Consols 2½pc	6.84	-	37⅛xd	–[illegible]	37[illegible]	28⅝
Treas. 2½pc	6.85	-	36½	—	36⅞	27[illegible]

Index-Linked (b)	Yield (1)	Yield (2)	Price £	+ or –	1993 High	1993 Low
Treas. 2pc '94 (102.9)	-	-	136[illegible]	—	138[illegible]	131⅞
2pc '96 (67.9)	1.08	1.98	203[illegible]	–[illegible]	204½	194[illegible]
4⅝pc '98‡‡ (135.6)	1.33	1.85	113¼	–[illegible]	113[illegible]	105[illegible]
2½pc '01 (78.3)	2.26	2.62	175	–[illegible]	175[illegible]	159
2½pc '03 (78.8)	2.49	2.78	171[illegible]	–[illegible]	172[illegible]	155
4⅜pc '04‡‡ (135.6)	2.54	2.81	116¼	–⅛	117[illegible]	105½
2pc '06 (69.5)	2.59	2.80	182[illegible]xd	–⅛	182[illegible]	164¼
2½pc '09 (78.8)	2.74	2.93	166[illegible]	–⅛	166⅝	144
2½pc '11 (74.6)	2.80	2.98	173[illegible]	–⅛	173[illegible]	148[illegible]
2½pc '13 (89.2)	2.83	2.99	143[illegible]	–⅛	144[illegible]	122[illegible]
2½pc '16 (81.6)	2.89	3.03	154½	–⅛	155⅛	130[illegible]
2½pc '20 (83.0)	2.93	3.05	150[illegible]	–[illegible]	150[illegible]	124[illegible]
2½pc '24‡‡ (97.7)	2.92	3.04	128½xd	–[illegible]	127[illegible]	102⅝
4⅛pc '30‡‡ (135.1)	2.95	3.06	126[illegible]	–⅛	128[illegible]	103¼

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base for indexing (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in January 1987. Conversion factor 3.945. RPI for April 1993: 140.6 and for November 1993: 141.6.

Other Fixed Interest

Notes	Yield Int	Yield Red	Price £	+ or –	1993 High	1993 Low
African Dev 11¼ 2010	7.93	8.82	140¼	—	140¼	115⅞
Asian Dev 10¼pc 2009	7.82	9.92	131[illegible]	—	131[illegible]	108[illegible]
B'ham 11½pc 2012	8.52	7.92	135	—	135½	114
Ireland Cap 8½pc '10	7.54	-	112¼	—	120	95
9pc Cap 1996	8.82	-	102	—	116	97½
13pc '97-2	11.38	-	114¼	—	130	110
Hydro Quebec 15pc 2011	8.96	7.84	167[illegible]	—	167[illegible]	139[illegible]
Leeds 13½pc 2006	9.29	-	145¼	—	145¼	128
Liverpool 3½pc Irred	8.09	-	43¼	—	43½	34
LCC 3pc '20 Aft	7.69	-	39	—	39½	30½
Manchester 11½pc 2007	8.75	7.72	131½	—	132¼	114
Met. Wtr. 3pc 'B'	4.00	6.85	75	—	75	63¼
N'wide Anglia 3⅞pc 2021	-	3.83	145⅛	—	146	117½
4⅛pc IL 2024	-	3.82	140¼	—	140½	115½
Utd Mex States 16½pc 2008	10.65	-	155	—	155	132¼

● 'Tap' stock. ‡‡ Tax-free to non-residents on application. E Auction basis. xd Ex dividend. Closing mid-prices are shown in pounds.

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Pentos warning hits share price

By Paul Taylor

Shares in Pentos fell sharply yesterday after Sir Kit McMahon, the new chairman, warned that the specialist retailing group would incur a "substantial" loss before tax and exceptional items this year and pass the final dividend.

In the wake of the warning the group's shares lost almost a quarter of their value and *closed down 8¼p at 26p, a nine-year low.*

Sir Kit, who replaced Mr Terry Maher as chairman early *last month shortly* after the group announced its first ever *loss and passed its interim dividend,* blamed the expected deficit on tough trading conditions and, in particular, losses at the Athena poster shops and increased interest costs.

He added that "substantial write-downs and charges will be necessary and will be taken as exceptional losses in the current year."

In addition, he said a full review of the group's accounting and disclosure policies had been undertaken as a result of which it was proposed, for example, that property profits, relating mainly to "reverse premia", would be separately disclosed.

The group's treatment of these upfront payments by landlords has been heavily criticised by some analysts. Yesterday, Sir Kit said reverse premia "are not expected to be material *in future years.*"

He said recent trading had "*not matched earlier expectations* for the group as a whole." Like-for-like sales at the flagship Dillons bookshops had continued to be 4 per cent up on last year, but despite an encouraging first-half performance at the Ryman stationery stores, second half sales were down 2 per cent on a comparable basis.

Price cutting and fierce competition meant the Ryman computer shops were showing a 12 per cent decline in like-for-like second half sales. In addition, Athena's retail sales continued to run below last year, although there had been some improvement in the second half with UK sales down 2 per cent on a comparable basis. *Furthermore, Athena's wholesale and overseas sales had been below expectations.*

As a result, Sir Kit said "significant trading losses will be incurred at Athena for the year as a whole."

The trading statement also revealed that Mr Bill McGrath, the incoming chief executive who formally takes up his new job on January 1, had already begun work on improving the performance of Pentos and had initiated a full review of the group's strategic options.

Exports help lift Chemring 9.5% to £5.7m

By Peter Pearse

Pre-tax profits at Chemring Group, the maker of anti-missile chaff, distress rockets and waterproof clothes, rose 9.5 per cent from £5.21m to £5.71m in the year to September 30.

With turnover up by only 4 per cent to £39.4m (£37.9m), margins were improved, said Mr Philip Billington, chairman, because of the monitoring of group costs and manufacturing efficiencies.

Exports accounted for 61 per cent of turnover. The defence side still accounted for 60 per cent of turnover, in spite of efforts to lift the civil side.

"Defence keeps rising," Mr Billington said, "and there's still a significant number of little wars." He added that while Budgets might cut the numbers of big-ticket items like aircraft, countermeasures remained strong sellers to armed services.

Middle East markets continued to expand, while the growing economies of east Asia wanted independent defence forces, Mr Billington said.

Chemring commands some 65 per cent of the global market in its commercial marine business, though recession shrank the leisure side.

Fully diluted earnings were 18.8p (17.2p) per share and the final dividend is lifted to 6p for a 9p (8.15p adjusted) total.

Maintained market share aids Acatos & Hutcheson

By Catherine Milton

Acatos & Hutcheson, the edible oils and fats manufacturing group, yesterday announced pre-tax profits up 30 per cent from £7.83m to £10.2m for the 58 weeks ended October 3.

Turnover rose to £222.1m (£200.9m for 52 weeks).

Mr Ian Hutcheson, chairman, said that "in spite of all our difficulties we have succeeded in maintaining or improving our market shares in all principal sectors."

He expressed confidence in the company's medium to long-term future but said that "*the threat of increased competition* is always with us and this year there have been some developments which cause me to be cautious in regard to our likely results in the current year."

Last month the company announced the closure of its Bootle factory with the loss over the next 18 months of about 250 jobs. Provisions of £4.2m would be "adequate".

The board proposed a final dividend of 5p to give a total of 8p (6.5p), payable from earnings of 20.9p (16.2p).

Operating profits rose to *£10.9m (£9.1m). The company* booked a £2.73m (£1.49m) *exceptional charge against* rationalisation.

A&H also booked a net £139,000 one-off charge against goodwill written off on disposal of a Spanish subsidiary and the recovery of investment in and loans to former Spanish operations.

This charge compares with last time's £374,000 gain after some earlier provisions were released and on the recovery of funds that had been tied up in former Spanish operations.

60p flotation price gives SEC market value of £9.1m

By Catherine Milton

A price of 60p a share was fixed yesterday for the flotation of Securitised Endowment Contracts valuing the trader in second hand with-profits insurance policies at £9.1m.

The capitalisation falls short of the £10m-plus the company had originally indicated, reflecting a cut to the price earlier envisaged following flat results from Policy Portfolio, SEC's main quoted competitor.

None of the three founder directors is selling shares and they will hold 59.4 per cent of the issued share capital after the float.

One of them, Mr Bernard Klug, the executive director with responsibility for corporate planning and development, was formerly non-executive director of Honorbilt, which went into administrative receivership in 1990.

Dealings in the shares on the USM begin on December 21 following a placing, completed yesterday, of 5.7m shares. Broker to the placing is Williams de Broë, who also underwrote the deal.

The flotation price is 10 times SEC's earnings per share for the year ended September 30 (adjusted for a one-off pension contribution).

The notional gross dividend yield for the year is 7.3 per cent and the flotation will raise £3.1m net of expenses. The funds will be used to repay bank debt of about £965,000 and to finance a substantially larger stock of assigned policies than SEC has to date been capable of holding.

Alvis rises strongly to £5.07m

By Catherine Milton

Lower reorganisation charges coupled with stronger perfor*mances in some businesses* helped Alvis, the defence contractor, *report pre-tax profits* ahead from £1.13m to £5.07m in the year to September 30.

The board is, however, proposing to hold the final dividend at 0.5p, giving an unchanged total of 1p, in spite of earnings per share of 2.4p (losses of 5.5p).

"The order backlog at September 30 1992 was more than this year's £80m. There has been a small erosion of the order backlog. But this reflects timing of particular orders as much as difficult conditions in the defence and aerospace markets," said Mr Nick Prest, chief executive.

He said the company did not expect to see any significant *upturn in orders before late* 1994 or early 1995.

Alvis *booked lower exceptional charges of £1.03m (£5.24m), mainly against* relocations and redundancies, which flattered the comparison at the pre-tax level.

Turnover increased 5 per cent to £97.3m (£92.4m) and trading profits rose 15 per cent to £5.75m (£4.99m).

Alvis Industries in Coventry made a contribution to profits compared with last time's break-even. Helio, the optics business now owned by Alvis's 51 per cent-owned Avimo Singapore subsidiary, achieved a "substantial increase in profits" on the back of a high level of orders.

Amber Day chief executive resigns after four months

By Andrew Bolger

The revolving door for executives at Amber Day Holdings, the discount retailer, took another spin yesterday with *the resignation of Mr David* Thompson from the board after only four months as chief executive.

Mr Thompson, who joined last year as finance director, is the latest to depart from the controversial group, which runs the What Everyone Wants retail chain, and has had three different chairmen in the last 15 months.

Mr Peter Carr, who became executive chairman in August, said Mr Thompson's resignation arose from the reduced scope of the company's activities and the concentration of its administration in Glasgow to where, for personal and family reasons, he felt unable to *relocate.*

Mr Thompson has resigned as a director, but will remain with the company until April 30. *Although Mr Thompson* was on a three-year contract and had a salary of £180,000, Mr Carr said he would receive *no compensation payment,* but would retain options on 400,000 shares. Amber Day's shares closed 1p higher at 63p.

Amber Day's institutional shareholders have been concerned by the size of previous pay-offs. Mr Philip Green stepped down as chairman last September with a golden handshake of £1.13m. Mr Stacey Ellis, a former Inchcape director who replaced Mr Green but left after a boardroom tussle with Mr Carr in August, received £500,000.

Mr Carr yesterday told the group's annual meeting that Amber Day was currently in *discussions with its advisers* over the injection of new funds *into the company.*

A rights issue seems most likely, at least partly backed by Warburg Pincus, the US invest*ment institution* which has a 12 per cent stake. Write-downs *and provisions* have reduced the balance sheet, and gearing *currently stands* at about 80 per cent.

The chairman said the overriding objective of his five-year plan for the company was to develop as the leading discount store operator in the UK. Since August, six new stores had opened, bringing the total to 58, and he intended to open at least another four by July.

Mr Carr said the UK retail sector did appear to be experiencing a gradual recovery and the business was well positioned to benefit from any further upturn.

"To that end, we plan to approximately double the current number of *outlets* and to expand the company's geo*graphical spread on a national* scale over the period."

Greencore advances 14% but warns on present year

By Tim Burt

Greencore, the Irish sugar and agribusiness group, yesterday reported a 14 per cent increase in pre-tax profits from I£29.6m to I£33.7m (£32m) in the year to September 24.

The 1992 pre-tax figure was restated from I£31.5m under FRS 3 to take account of extraordinary items of I£1.85m and profits from related companies.

Group turnover improved marginally to I£394m (I£388m), although a successful "campaign" – the three month processing period – led to a I£9.7m increase in sales from continuing operations to I£392m.

Growth in the current year, however, is likely to be undermined by a sharp decline in crop yields following bad summer weather.

Mr Bernie Cahill, chairman, warned that sugar beet yields alone could fall by up to 30 per cent.

Reduced crop yields would have a damaging impact on the group's three divisions – sugar, agribusiness and other food – which last year contributed to increased operating profits of I£40m, against a restated I£36.7m.

Of the three divisions, operating profits in sugar showed the biggest improvement with *a 12.5 per cent rise to I£22.3m* on sales of I£127.2m (I£123.1m).

Turnover in agribusiness rose 4.4 per cent to I£141m with profits up to I£9.5m (I£9m). Other food contributed profits of I£9.2m (I£8.4m) on static sales of I£124.3m (I£124.6m).

Mr Kevin O'Sullivan, finance director, said operating profits were hampered by a I£964,000 loss on the disposal in October of Chambers, its Northern Ireland distribution company, and a small potato subsidiary.

The balance sheet, meanwhile, was strengthened by falling interest rates, which declined from more than 40 per cent in the first half to about 7 per cent at the year end.

In a bid to avoid crippling interest charges, the group had cut stocks, placed increased emphasis on operating efficiency and used profits to increase cash balances from I£5.3m to I£18.7m. Gearing fell from 61 per cent to 24 per cent.

Earnings per share came in at 33.9p, against a restated 28.8p. A final dividend of 5.5p *(5p) makes an 8.8p (8p) total.*

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	*Corres - ponding dividend*	*Total for year*	*Total last year*
Acatos Hutcheson	fi	5	-	4	8	6.5
Alvis	fin	0.5	Apr 1	0.5	1	1
Baggeridge Brick	fin	2.375	Feb 16	2.375	3.125	3.125
Bogod	int	0.2	Feb 3	0.2	-	0.7
Bristol Water	int	11.1	Feb 9	10.3	-	31
Bulmer (HP)	int	4	Feb 21	3.75	-	10.15
Chemring	fin	6	Feb 3	5.43*	9	8.155*
Daily Mail	fin	112	Feb 18	98	148	130
Dartmoor Inv	int	2.5	Jan 31	2.5	-	11.6
Greencore	fin	5.5♣	Mar 4	5	8.8	8
Group Devt Cap	fin	0.33	Feb 18	0.3	0.33	0.3
Hunters Armley	fin	2.5	Feb 25	-	3.75	-
Northern Elect	int	7.4†	Mar 22	6.3	-	21.45
Polar §	fin	2.85	-	2.5	4.85	4.5
Shoprite	fin	1.6†	Apr 7	1.1*	2.2	1.5*
Sweb	int	7	Mar 21	5.9	-	20

Dividends shown pence per share net except where otherwise stated. †On increased capital. *Equivalent after allowing for scrip issue. §USM stock. ♣Irish pence.

GWR buys four radio stations for £15m

By Raymond Snoddy

GWR, the Bristol-based commercial radio group that owns a stake in Classic FM, joined the industry "premier league" yesterday with a four station deal valued at about £15m in cash and shares.

GWR said yesterday it had conditionally agreed to buy all the shares of Radio Trent, Mercia Sound and Leicester Sound from Capital Radio for £4.77m in cash and more than 1m GWR shares.

At the same time GWR has bought Beacon Broadcasting, the last of the large independent stations, for a total £3.69m, including debt.

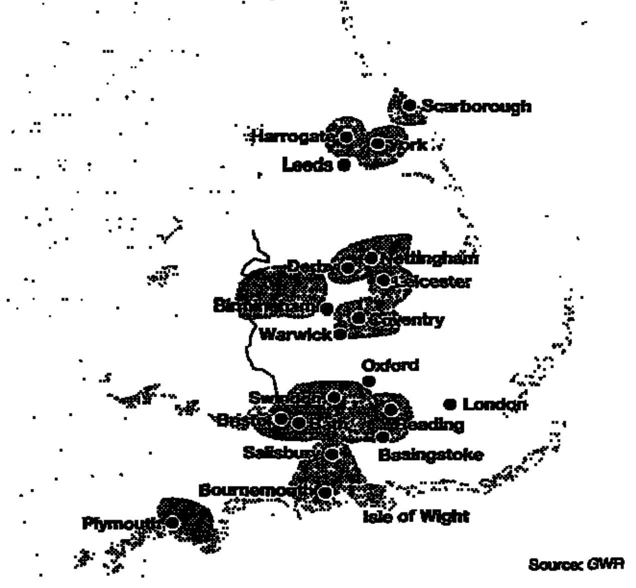
The deal, which will take GWR's potential adult audience from 2.9m to 7.1m, including a completely new sphere of influence in the Midlands, will give the company 17 radio licences and an annual turnover of £18.8m.

The acquisitions will be financed partly by raising £8.72m net through a placing and open offer. Shareholders can acquire shares at 565p in the enlarged group on the basis of 10 shares for every 19 held. Both the Daily Mail and General Trust and Capital Radio will take up their maximum entitlements.

Under the deal Daily Mail will hold 20 per cent in the enlarged group and Mr Roger Gilbert will become deputy chairman. Capital will also have a 20 per cent stake.

GWR's UK network coverage

Including partly owned stations and 17% of Classic FM (national)



Source: GWR

GWR, Capital and Daily Mail are likely consortium partners in a bid for INR 3, the third national commercial radio station which has just been advertised.

As a result of the deal GWR will join the ranks of the large regional groups such as Clyde in Scotland, Metro in the north of England, and Capital in London.

"These companies are going to drive the industry towards a greater share of advertising revenue," Mr Ralph Barnard, chief executive of GWR, said yesterday.

Capital decided to sell partly because it recognised GWR's expertise in managing small and medium-sized radio stations. Apart from the £4.8m cash and the 20 per cent stake in the enlarged group, Media Sales Marketing, Capital's advertising sales house, will now sell on behalf of GWR.

Capital shares rose from 254p to 281p.

Haemocell loss rises to £2.13m

Losses at Haemocell, the USM-traded medical equipment maker, rose from £1.69m to £2.13m pre-tax for the year to end-August after taking account of an exceptional provision of £413,000.

Before the provision, which related to the termination of the distribution agreement with Stryker Corporation of the US, the deficit was in line with the directors' forecast in August.

Turnover expanded from £676,000 to £1.12m. Losses widened to 10.1p (9.3p) per share.

Bristol Water shows 20% rise to £4.12m

Bristol Water Holdings continued to make progress both in its regulated water business and in the development of non-regulated activities. Pre-tax profits advanced by 20 per cent, from £3.43m to £4.12m, in the six months to September 30.

Sales for the regulated business expanded 7.5 per cent, which combined with external turnover of £2.3m from non-regulated businesses led to group turnover rising by 16 per cent to £30.2m (£26.1m).

Operating profits rose 13 per cent to £6.4m (£5.65m) despite big increases in the depreciation charge arising from the continuing capital programme.

Capital expenditure, which grew from £8m to £11m, was funded using the proceeds of the 8.75 per cent irredeemable preference shares issued last November.

Fully diluted earnings per share, after minorities, edged ahead to 39.9p (39.7p). The interim dividend is stepped up to 11.1p (10.3p).

Kunick in black with £4.8m

By Peggy Hollinger

KUNICK, the amusement machines and care homes group, returned to the black with pre-tax profits of £4.8m for the year to September 25, against losses of £11.8m last time.

The swing was achieved both through a £1.2m contribution from the nursing homes business jointly owned with County NatWest Ventures, compared with a loss of £55,000 last time, and the absence of £12.2m in exceptional charges for restructuring.

Profits were also helped by a sharp fall in interest charges from £5.99m to £2.1m. This was partly the result of the £12.5m sale of 50 per cent of Goldsborough Holdings, the nursing homes division, last year.

At the operating level, profits were 7 per cent lower at £6m, due to the sales of the visitor attractions business. Sales were 14 per cent down to £94.1m.

Mr Christopher Burnett, chairman, said the group intended to float Goldsborough in the first half of next year, if conditions were appropriate. The division was expected to double profits in the current year, he said.

The proceeds of flotation would be used to help Kunick increase its exposure to the amusement machine-linked leisure market.

In the UK, Kunick's amusement machine business surged ahead due to restructuring and the increased £6 payout which had proved "tremendously popular" with players. Operating profits rose by 23 per cent to £3.2m, on sales 9 per cent lower.

In France, where Kunick supplies amusement machines and runs a franchised retail chain, operating profits increased by £1.5m to £3.5m. The care services division doubled to £850,000.

The dividend is passed for the second consecutive year. Earnings per share were 0.02p, against losses of 7.34p.

Northern Electric advances 28%

By Michael Smith

Northern Electric, the power distributor for the north-east of England, announced a 28 per cent increase to £52.6m in pre-tax profits for the half year to September 30.

The interim dividend is lifted by 17.5 per cent to 7.4p, although the company said that was partly to reduce the disparity between the two halves of the year.

The underlying increase was 15 per cent, said Mr David Morris, executive chairman.

Northern is splitting the role of chairman and chief executive. Its decision to promote Mr Tony Hadfield from managing director to chief executive from April 1 means that only one of the 12 regional electricity companies, Norweb, has a combined chairman and chief executive. East Midlands split the two jobs last week.

Northern's pre-tax result, up from a restated £41.1m, was achieved on turnover of £460.7m (£395.5m). Operating profits advanced from £40.7m to £48.3m.

Earnings per share worked through 30 per cent ahead at 32.1p (24.7p).

The improvement was helped by a 1.4 per cent increase in electricity units distributed, with domestic sales up 4.2 per cent and commercial up 3.6 per cent.

Units to industry fell but the rate of decline is slowing.

Supply profits rose from £800,000 to £2.8m as the company reaped the rewards of selling electricity to large customers in the liberalised market outside its area.

It claims about 400 sites outside its area on top of the 200 it supplies inside it.

Retailing made profits of £700,000, against a small loss last year. Two more out-of-town superstores had been opened which were trading above expectations, Mr Morris said.

Northern has a staff of 4,700 and expects to reduce that by about 3 per cent each year including this.

The company has £28m cash, having started the year with £39m debt and 9 per cent gearing. It expects to be cash neutral at the year-end.

● COMMENT

Northern's aggressive drive to win customers outside its natural monopoly region marks it out from other regional power companies. It also makes some investors nervous. These results will alleviate the anxieties, with supply profits beginning to show through clearly, and £8m to £10m possible for the full year. From April the supply market will become more competitive as an extra 45,000 sites become eligible to choose who supplies their electricity. That will be the real test of Northern's faith in a business where margins are slim at best. In other areas there is little to distinguish Northern from other recs and little to either worry or excite shareholders. At yesterday's close the shares are fairly valued with a prospective dividend of 24.7p producing a yield of about 4.4 per cent.

Sweb freezes domestic prices

By David Lascelles,
Resources Editor

South Western Electricity yesterday pledged to freeze its prices for domestic consumers until April 1995 as it announced a 28 per cent increase in profits and a 19 per cent dividend rise.

The Bristol-based distributor made £30.6m (£23.9m) before tax in the six months to September 30 – in line with market expectations.

Turnover for the period rose slightly from £381.4m to £385.8m.

Mr John Seed, chief executive, described the outcome as "a sound set of results".

One of the main contributors was the continuing drop in costs, which are targeted for a 10 per cent reduction – a further 250 jobs are to go over the next four months. There was also a 2.1 per cent rise in electricity units distributed.

However, the company emphasised that profits were boosted by a £2.8m drop in net interest, thanks to the large positive cash balance resulting from changes in the timing of coal contract payments.

There was also a £1.3m contribution from Sweb's share in the newly-completed Teesside power station.

The retailing business reduced operating losses from £2.9m to £1m, and Mr Seed said he expected it to be breaking even by the end of the financial year.

The price freeze, which follows a £9 rebate for household customers earlier this autumn, will mean that Sweb will effectively hold charges level for three years.

Earnings per share improved to 19.9p (15.1p).

The dividend rise, which takes the payment from 5.9p to 7p, was lower than that of some other recs, but Mr Seed said it was "reasonable".

● COMMENT

The headline profit rise is misleading, as the company took some trouble to point out yesterday, thanks largely to fortuitous changes in coal contracts. The underlying growth is closer to 15 per cent, which makes this a steady, middle-of-the-road set of results underpinned by cost cutting and improvements in associated activities such as retailing. The dividend increase was the standard for the sector. The prospective yield of just under 4 per cent puts Sweb in the middle of the field.

Shoprite to expand after 88% jump

By Tim Burt

Shoprite, the discount food retailer, yesterday unveiled an ambitious expansion plan following an 88 per cent increase in pre-tax profits in the year to October 31.

The company said that profits of £5.08m (£2.7m) would enable it to open at least 50 new stores over the next 12 months, almost doubling its size.

The group, based in the Isle of Man, said improved turnover of £164m (£87.5m) showed demand was rising for its discount outlets in Scotland, where it already has 66 stores.

Mr Deryck Nicholson, chairman and joint managing director, said: "We believe our trading format is capable of sustaining at least 200 stores in Scotland by 1996 with the potential for a similar number in northern England."

He said the expansion would be financed from the group's own resources and borrowing.

Disposals and leaseback transactions helped raise £5.6m, which, after the acquisition of 30 new stores, left the group with £1.8m cash in hand compared with £288,000 last time.

Gearing, currently 51 per cent, is expected to exceed 60 per cent next year.

Mr Nicholson, whose father Ken was a co-founder of the Kwik Save discount chain, said the balance sheet had been strengthened by a £9.7m rights issue in January and the expansion would not require another placement.

The improved performance last year mainly reflected double-figure percentage growth at the 33 stores operating in Scotland for the whole 12 months.

On the Isle of Man, however, the retail, property and vehicle retailing interests proved less buoyant.

Discount supermarkets on the island were performing only satisfactorily, while trading conditions for its Mercedes-Benz dealership remained "extremely difficult".

Earnings per share jumped from 3.77p to 5.64p.

The proposed final divided is increased to 1.6p, making a total for the year of 2.2p (1.5p adjusted).

The shares rose 8p to close at 178p.

COMPANY NEWS: UK

Exceptionals cut Bulmer to £2.7m

By Philip Rawstorne

HP Bulmer Holdings, the cider maker, reported an 11.9 per cent increase in first half pre-tax profits to £12m after adjustment for exceptional losses of £8.6m on the sale of its pectin business.

On an FRS 3 basis, however, profits for the half year to October 29 declined from £10.7m to £2.66m.

Helped by a buoyant UK cider market, in which volumes grew 10 per cent to 88.8m gallons in the year to September, operating profits on continuing businesses rose 20 per cent to £14.8m (£12.3m).

Turnover improved 7 per cent to £139.5m in spite of lower soft drinks sales and a depressed beer business.

Adjusted earnings per share rose 15.7 per cent to 15.02p and the interim dividend is lifted to 4p (3.75p).

Operating profits from UK activities rose from £11.6m to £13.2m. Share of the draught cider market increased from 52.6 per cent to 54.7 per cent. Scrumpy Jack led the growth with volumes through pubs ahead 40 per cent. Strongbow sales rose 4 per cent but Woodpecker showed a modest decline.

In the take-home market Scrumpy Jack sales were up 42 per cent. Strongbow's growth was affected by increased competition from economy and private label brands, and Woodpecker volumes, reflecting declining demand for sweet cider, fell 11 per cent.

Bulmer almost doubled sales of its economy products to 3.6m gallons and now accounts for 29 per cent of the sector, which is growing at an annual rate of 87 per cent.

Mr John Rudgard, chief executive, said an independent review of the UK cider market, commissioned by the company, predicted continuing growth with annual volumes reaching 110m gallons by the end of the decade.

The company is extending its orchards and investing £20m in new manufacturing technology.

Profits from Australian operations rose from £740,000 to £911,000 while Stassen in Belgium achieved higher than expected growth, contributing profits of £706,000. Sales in France rose 71 per cent.

Borrowings at the period-end totalled £41.6m but will be reduced to £33.2m, with gearing of 45.8 per cent, as a result of the pectin disposal.

Borne up by a strong spread of activities

Paul Betts looks at BAe as it continues its search for European partnerships and Asian joint ventures

British Aerospace is in the throes of wide-ranging discussions with other aircraft manufacturers to establish a series of new European partnerships for turbopropeller and regional jet aircraft modelled on the European Airbus large airliner manufacturing consortium.

These partnerships would complement rather than conflict with the company's efforts to negotiate joint ventures in the turboprop and regional jet sectors with emerging Asian aerospace industries in Indonesia and Taiwan.

Although in recent months BAe has appeared intent on refocusing its aerospace activities on its profitable defence operations and on its 20 per cent stake in the Airbus consortium, Mr Dick Evans, BAe's chief executive, insisted that the company wanted to maintain a "strong spread" of commercial aerospace activities.

"We need a good mix of civil and military businesses to get the necessary volume throughput to remain a leading competitor," he said.

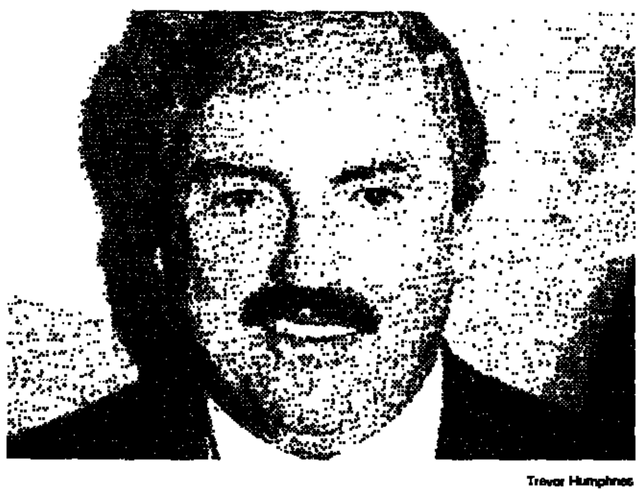
He argued that BAe's military aircraft business could not survive without the company's activities in Airbus and other commercial aircraft programmes which were providing work for BAe's military facilities.

BAe has continued to lose money on its commercial aerospace activities with the biggest losses this year in its turbopropeller business which has now been regrouped at Prestwick in Scotland.

In the first half of this year, the commercial aircraft operations made an operating loss of £81m compared with £286m. Turboprops accounted for about £60m of the loss. The Airbus activities also made a small loss, while the regional jet business operated close to break-even after the £1bn provision made in 1992.

BAe now sees the longer term future of its turboprop and regional jet activities as part of a broader restructuring of the European commercial aerospace industry. The company would like to see strong European partnerships in both the turboprop and regional jet businesses in which it would hold a minority stake.

For BAe, the most encouraging prospects appear to centre on a rationalisation of the European turboprop sector. BAe has been holding talks with Aerospatiale, its French Airbus partner, over possible collaboration in turboprops. Aerospatiale and BAe have also held separate talks with Casa, the Spanish Airbus partner. Discussions have also been held between BAe and Saab and the Canadian Bombardier group, which owns Shorts of Belfast and de Havilland, the turboprop manufacturer.



Trevor Humphries

Dick Evans: good mix of civil and military businesses is needed

"For the first time, there really is a seriousness developing in these talks: I am confident something positive will happen," said Mr Evans.

BAe has signed an agreement with Indonesia to explore collaboration in the turboprop business. It believes it cannot turn its back on the emerging Asian aerospace industries but sees co-operation with countries like Indonesia focused on specific projects rather than on a broad front.

In Europe Mr Evans sees an opportunity of integrating scattered manufacturing assets to rationalise the sector.

In the regional jet sector, BAe has not altogether given up hope of a joint venture with Taiwan Aerospace. But the protracted and now stalled negotiations have cast doubts on the much publicised venture. Meanwhile, BAe has decided to pursue its regional jet activities on its own while considering other collaborative options in the event of the Taiwan deal finally collapsing.

BAe believes the most rational alternative would be co-operation with Fokker, the Dutch regional jet manufacturer taken over this year by Deutsche Aerospace, the aerospace subsidiary of Germany's Daimler-Benz group.

BAe attempted to negotiate a partnership with Fokker three years ago. Although the talks broke down in part because of competing product lines, there is a compelling argument for the two companies to form the nucleus of a European regional jet consortium modelled on Airbus.

Mr Edzard Reuter, Daimler-Benz chairman, suggested he would welcome closer collaboration between Deutsche Aerospace and BAe on regional aircraft programmes. Mr Reuter said "we are still meeting, we are still discussing".

But it is on Airbus that BAe is pinning its long-term hopes in the commercial sector. "We've got an opportunity to turn Airbus in turnover terms into one of, if not the, biggest company in Europe by the end of the decade," Mr Evans said.

Airbus , however, was now facing a growing challenge from Boeing, its main US rival. "Boeing has woken up late in the day to the threat of Airbus and is now working to reduce the cost of its products and its production cycle times."

Mr Evans believes Airbus has even bigger opportunities to reduce its costs than Boeing. "If Boeing manages to cut its costs by 25 per cent we should be able to reduce Airbus costs by 40 per cent if we can harness efficiently all the assets."

The immediate issue was not transforming Airbus into a public limited company. "A plc is no panacea, it's a catch phrase," he argued. Instead, the big challenge was to give Airbus more control of the assets deployed in the airliner business by its four partners including BAe, Aerospatiale, Deutsche Aerospace and Casa.

BAe has still not broken even on its investment in Airbus. However, Mr Evans expected the business to become more profitable as its volume of activity grew. "But we can't sit back and ignore the new competitive pressures facing Airbus. We've got to find ways to move it forward. And I think we will in the end set up an Airbus aerostructures company which will be completely under Airbus control."

That could ultimately also be the way ahead for the troubled European turboprop and regional jet industries.

NEWS DIGEST

Baggeridge up 12% on interest fall

Lower interest charges helped Baggeridge Brick increase pre-tax profits by 12 per cent to £2.08m in the year to September 30, against £1.82m.

Turnover was ahead 14 per cent at £29.9m (£26.3m). Earnings per share were 3.33p (3.03p) and an unchanged final dividend of 2.375p is proposed for a maintained 3.125p.

Lower rates and cash generation contributed to a fall in interest payable to £897,000 (£1.34m).

Dartmoor Trust

Net asset value per share of Dartmoor Investment Trust surged to 115.2p at October 31, compared with 74.2p a year earlier.

After-tax revenue dropped from £919,000 to £853,000 for the six month period, giving a per share value of 3.55p, against 4.02p. The second interim dividend is held at 2.5p.

Ensor

On turnover from continuing operations of £6.93m, Ensor reported losses before tax in the six months to September 30 of £32,000, against £2.1m restated for FRS 3. Turnover was £26.6m, including £19.6m from discontinued operations.

Losses per share emerged at 0.1p (18.1p).

Hunters Armley

Hunters Armley Group, the printer, announced profits of £2.67m pre-tax (£2.03m), up 32 per cent, for the year to September 30 on turnover of £32.2m (£28.4m).

Earnings were 9.32p (6.98p), and a final dividend of 2.5p is proposed for a 3.75p total.

OGC

OGC International, the North Sea construction group, has acquired the 50 per cent outstanding balance of United-AOC.

The holding was purchased from United Construction Group on the basis of one share for A$2,500 (£1,100) and the payment of a A$2.52m dividend on a special A share which has been issued by U-AOC to United.

Dickie

The directors of James Dickie said they were not aware of the reason for the sharp improvement in the company's share price. Shares in the USM-quoted manufacturer of engineering components rose 9p to 90p on Tuesday and a further 5p to 95p yesterday.

Group Development

Group Development Capital Trust had a net asset value of 54.3p at September 30 compared with 41.1p a year earlier.

After-tax revenue for the 12 months to September fell from £109,662 to £38,074 for earnings per share of 0.16p (0.46p after the section 242 tax claim). The proposed final dividend is lifted to 0.33p (0.3p).

Saatchi

Saatchi & Saatchi Company is to dispose of its Litigation Sciences offshoot for about $3.6m (£2.41m).

● The company has been notified that Bank of New York has an interest in 39.3m ordinary shares (17.86 per cent).

Millwall

Millwall Holdings, the USM-quoted football company, has placed 14.4m new ordinary 1p shares at 3.6p each to raise about £517,800 before expenses.

The shares have been placed with Import & General Trading and bring its holding to 16.4m shares, representing 5.42 per cent of the enlarged issued capital.

Swalec

South Wales Electricity and International CableTel of the US have signed agreements for a cable television and telecommunications company in South Wales. The joint venture, which will operate three franchises, will be 60 per cent-owned by CableTel and 40 per cent by Swalec.

Kells Minerals

Kells Minerals, the Dublin-based exploration company, has announced that it is in talks which might or might not lead to the acquisition of another company.

The statement was prompted by a recent movement in the share price which rose 4p to 19½p on Tuesday, but yesterday slipped back to 19p.

Bogod

Profits of Bogod Group, which sells sewing machines, parts and accessories, fell from £105,000 to £74,000 pre-tax for the half year ended September 30.

Turnover improved to £3m (£2.5m). Earnings edged up to 1.26p (1.22p) and the interim dividend on the A shares is held at 0.2p.

Polar

Pre-tax profits of Polar, the USM-quoted designer and distributor of electronic components, rose 44 per cent from £902,000 to £1.31m in the year to October 1.

Turnover was ahead at £21.2m (£17.4m). Earnings per share amounted to 10.7p (7.3p) and the final dividend is increased to 2.85p (2.5p), making a total of 4.85p (4.5p).

Richmond Oil

Richmond Oil & Gas has called an extraordinary meeting to warn shareholders that net assets had fallen to less than half the company's called up share capital of £9.1m.

Richmond also announced the disposal of its outstanding interest in a coal bed methane property, valued in the books at £3.5m. The company, which has been seeking to sell the properties since 1991, is disposing of the San Juan Basin interest for $6.2m (£4.2m). However, this price could be revised downwards by as much as $1m.

Richmond has the option to buy back 50 per cent of the properties for a minimum of $3.1m.

Suter

Suter will make a profit of nearly £2.5m on a sale and leaseback deal it has agreed with Great Portland Estates over its freehold interest in Lyne Hill industrial estate, north of Birmingham. The gain will eliminate Suter's borrowings.

Nelson Hurst

Under the placing and intermediaries offer by Nelson Hurst, the insurance broker, 17.9m ordinary shares were placed firm and a further 7.37m conditionally placed.

By the close of the intermediaries offer on December 10 valid applications had been received in respect of 6.09m shares.

Burmah Castrol

Burmah Castrol is acquiring the metalworking fluids business of SC Johnson & Son in Japan for about Y2bn (£12m) in cash.

Bowthorpe

Bowthorpe, the electronics and electrical group, has signed a conditional agreement to acquire Kaye Instruments, of Bedford, Massachusetts, for $17.2m (£11.5m) in cash.

Siam Selective

Net asset value per share at Siam Selective Growth Trust advanced from 119.2p to 174p over the 12 months to September 30.

Net revenue for the six months to end-September was £73,314 (£21,975) for earnings per share of 0.41p (0.15p).

US agency under attack for cut-price metal sales

By Kenneth Gooding, Mining Correspondent

Complaints that the US Defence Department is dragging down already-depressed metals prices by sales from its strategic stockpile are growing.

Sales of zinc by the Defence Logistics Agency, the Pentagon unit overseeing these disposals, are being criticised by Australia, Canada and Spain as well as the US's domestic zinc association.

Canada is also complaining about DLA nickel and lead sales and in the recent past Bolivia has called unsuccessfully for tin disposals to be halted.

The stockpile was established in 1939 to accumulate strategic materials to avoid shortages during time of national emergency. It has bought and sold millions of tonnes of metal and other commodities since then.

The American Zinc Association claims that since March more than 36.3m lb of stockpiled zinc has been sold by the DLA at 3 to 4 cents a lb below the prevailing market price. "Such a discount drags down the entire market. Efficient private-sector producers lose normal price levels when competing against the government's low-price, taxpayer-subsidised sales," says Mr George Vary, AZA's executive director.

He calculates US taxpayers lost well over $1m from the zinc sales while one of the four remaining US zinc smelters – Zinc Corporation's. Bartlesville, Oklahoma, 54,000-tonnes-a-year plant – was forced to shut for at least a year and another, Big River Zinc's Sauget, Illinois, smelter has laid off 7 per cent of its hourly workforce.

"The law specifically places responsibility on the government to avoid loss to taxpayers and to avoid undue disruption to markets when the stockpile is disposing of materials. What we have seen is exactly the reverse," says Mr Vary.

World nickel output registers sharp decline

By Kenneth Gooding

Nickel production fell sharply in the first ten months of this year, mainly because output in Russia, the biggest producer, dropped by nearly one third compared with the same months in 1992, according to the International Nickel Study Group.

Consumption of the metal also slipped back but was still well ahead of output.

The study group's statistics show nickel output fell by 85,000 tonnes or by 11.7 per cent to 639,000 tonnes in the ten months. Much of the drop was accounted for by Russia, where production was down by 64,000 tonnes or 31.5 per cent at 139,000 tonnes.

Nickel consumption in the ten months fell by 1.68 per cent or 11,200 tonnes to 652,400 tonnes. Again the Commonwealth of Independent States was mainly responsible – consumption there was down by nearly one third or by 33,000 tonnes to 70,000 tonnes.

Meanwhile, the International Lead and Zinc Study Group estimated yesterday that in the first ten months of this year mine output of both lead and zinc outside the former eastern bloc countries was falling fast but production and consumption of refined metal continued to hold up well.

Mine production of lead was down by 10.7 per cent or 205,000 tonnes to 1.7m tonnes and mine output of zinc fell by 9.3 per cent or 439,000 tonnes to 4.29m tonnes. Canada was mainly responsible – in the ten months its mines produced 48 per cent, or 139,000 tonnes, less lead and 24 per cent, or 267,000 tonnes, less zinc.

Production of refined lead slipped by 1.1 per cent to 3.68m tonnes while consumption was down by 1 per cent to 3.67m tonnes. Output of refined zinc eased up by 0.7 per cent to 4.55m tonnes and consumption showed a stronger, 2.3 per cent, rise to 4.58m tonnes. The study group said zinc consumption was down by 1 per cent in Europe and by 7 per cent in Japan but this was more than compensated for by a 7 per cent increase in the US and strongly rising demand in Korea and Taiwan.

Australian mineral sales boost forecast

By Emilia Tagaza in Melbourne

Mineral exports are expected to boost Australia's commodity sales by 4 per cent to A$49bn (US$33bn) in 1993-94.

The official forecasting agency, the Australian Bureau of Agriculture and Resource Economics, said this week that earnings from mineral resources would rise by 7 per cent to A$31.7bn. Most of the increase was expected to come from higher exports of gold, coal, crude oil and natural gas.

In contrast, rural export earnings were forecast to fall by nearly 2 per cent to A$17.3bn, largely because of falls in wool and grain prices.

The volume of mine production was forecast to rise by 2.6 per cent in 1993-94. Black coal production was expected to reach a record 185m tonnes, up 7m tonnes. Iron ore output was put at a record 120m tonnes, up 3.5m tonnes.

Abare also predicted a brighter medium-term commodity outlook. It said commodity exports would rise by a further 13 per cent to A$55.4bn in 1998-99 (at 1993-94 prices).

Grain traders eye post-Gatt Europe

US futures exchanges are jockeying to be the first to offer risk management in freshly-competitive markets, writes Laurie Morse

European Union cereal growers may view the gradual erosion of export subsidies under the new General Agreement on Tariffs and Trade with foreboding, but the world's biggest futures markets are anticipating the adjustments with considerable excitement and are already jockeying to be the first to provide risk management services to freshly-competitive markets.

"There is going to be a fundamental shift in the way commodities are priced and marketed, but it is going to take several years," says Carol Brookins, president of the Washington-based consulting firm World Perspectives. "If you're no longer protected from the world market, you will tend to need ways to manage risks."

World grain traders have hedged risks and established world prices in the Chicago Board of Trade's wheat, maize, and soyabean futures pits for more than a century, regardless of the origin or destinations of their produce. At the end of November, the CBoT had traded more than 5m agricultural futures contracts this year. Now the CBoT is girding its loins for challenges and co-operation in Europe.

Two weeks ago exchange members voted to form a foreign consulting subsidiary to lend technical expertise and other assistance to emerging futures markets. In exchange for its services, the CBoT will seek equity interest in the new markets, or low rates for trading access for its members.

Although the subsidiary is equipped to deal with financial futures, "I think the immediate demand will be in the agricultural area, as large parts of the world move from government-controlled markets to open market mechanisms", says Mr Fred Grede, the CBoT's executive vice president for strategy and planning. While the new subsidiary has no contracts yet, there have been many inquiries, Mr Grede says. The CBoT is also seeking co-operative ventures with established exchanges.

> **'There is going to be a fundamental shift in the way commodities are priced and marketed, but it is going to take several years'**

Its first venture may well be with the Matif, France's fast-growing futures exchange. Matif is best known for its government bond contracts, but in 1988 it merged with the French commodities exchange and it is now well-positioned to become a dominant player in European agricultural derivatives.

While wheat futures in Paris may have to wait until the market opens further with the implementation of Gatt, rapeseed prices are already at world levels, making the need for a futures markets more urgent. Matif plans to launch rapeseed futures next year, in co-operation with the french oilseeds trade group, Onidol.

That contract could open the door for other European agricultural derivatives. The success of Matif's rapeseed project depends on the participation of German and Danish producers. Like most European farmers, they are not familiar with futures. "We have a very extensive education campaign ahead of us," says a Matif official.

Officials at both the Matif and the CBoT say the two exchanges are discussing co-operation on the rapeseed contract, and do not rule out the possibility of a mutual offset arrangement between Chicago and Paris. Such co-operation could give the contract more liquidity, and a longer trading day.

Germany may also make a bid for rapeseed futures. German laws prohibiting futures trading are expected to be revised early next year. The regulatory change could pave the way for futures trading in Hamburg, where Mr Peter Grohmann, a futures consultant, is seeking financing for an exchange. Mr Grohmann says that he plans to include pig futures, as well as energy and financial contracts, in his product line.

Germany already has an electronically-traded financial futures exchange, the DTB, but Mr Grohmann says starting an open-outcry exchange for commodities will be difficult. "Germany is in the childhood stages of futures trading. Investors are very conservative, and producers don't know what futures are," he explains.

Although London is firmly the centre of European financial derivatives trading, industry experts believe France, and the Matif, will evolve as Europe's agricultural trading centre. "France is the second largest agricultural exporter in the world, and the Matif has the people, committed members with expertise, who want to do it," says Ann Berg, a veteran Chicago grain trader and a newly-elected member of the Chicago Board of Trade.

LCE aims to expand agricultural futures

By Deborah Hargreaves

The London Commodity Exchange says it is looking to expand its agricultural futures contracts if Europe moves towards a free market.

"The launch of a European grain contract would require a change in government attitudes. There's no need to hedge at the moment because European Union prices provide a base level," says Mr Robin Woodhead, chief executive of the exchange.

The exchange at present trades domestic wheat and barley futures, where volume rarely climbs above 500 lots a day. But a recent study of the contracts showed that companies such as Dalgety found them useful in hedging grain sales in the UK.

"We found the trade were very anxious that we didn't delist those contracts. They are very well established and cover their costs," says Mr Woodhead.

The LCE realises that while the contracts remain domestically-based they will never trade high volumes, but in order to boost turnover, they would have include international trade.

Malaysia to join International Cocoa Organisation

Malaysia, one of the world's top five cocoa producers, will join the International Cocoa Organisation (ICCO), according to Mr Lim Keng Yaik, the country's primary industries minister, reports Reuter from Kuala Lumpur.

He said he had instructed the Malaysian mission in New York to begin the signing and tabling of instruments to enable Malaysia to join the International Cocoa Agreement by February, and subsequently become a member of the ICCO.

Malaysia likes the new agreement, which started in October, because it no longer tries to maintain a buffer stock, a ministry official quoted Mr Lim as telling a luncheon meeting on Tuesday.

Members of the organisation decided in September to liquidate its 230,000 tonne stockpile over four and a half years.

The ICCO will also send a team to Indonesia, which is set to overtake Malaysia this year to become the biggest producer in the Far East and the fourth biggest in the world, to try to persuade it to join the organisation, Mr Lim said.

● Representatives of coffee producers from Indonesia, Brazil, Colombia, Central America and Africa will meet in New York today and tomorrow to evaluate the operation of the coffee-retention scheme with which they are trying to boost world coffee prices, said Mr Arnoldo Lopez, president of the Costa Rica Coffee Institute, reports Reuter from San Jose.

"It'll be a reunion of the administrative committee of the retention plan to analyse compliance" with the scheme that went into effect in October, he said.

"We should also receive information about how Asian countries are incorporating retention mechanisms," said Mr Lopez, who is also vice president of Costa Rica.

Latin American coffee producers agreed at a meeting in October in Brazil to retain 20 per cent of exports to boost low market prices. African countries joined the scheme and Indonesia, the world's third-largest producer, is expected to begin retaining coffee on April 1. "We hope other Asian countries such as Vietnam, India and Papua Nueva Guinea adopt the mechanism to increase the effectiveness of the retention scheme," said Mr Lopez.

He said that the leaders of the global coffee-producers' association established in Brazil would discuss assuming control of the export retention scheme at the New York meeting.

The initial results of the retention scheme were encouraging, Mr Lopez said.

COMMODITIES PRICES

BASE METALS

LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, 99.7 PURITY ($ per tonne)

	Cash	3 mths
Close	1067-8	1087-8
Previous	1113.5-14.5	1133.5-34
High/low		1128/1085
AM Official	1093-94	1116-16.5
Kerb close		1088-89
Open int.	274,549	
Total daily turnover	57,086	

■ ALUMINIUM ALLOY ($ per tonne)

	Cash	3 mths
Close	1057-8	1087-8
Previous	969-71	994-95
High/low		990/980
AM Official	983-88	988-90
Kerb close		975-80
Open int.	2,597	
Total daily turnover	480	

■ LEAD ($ per tonne)

	Cash	3 mths
Close	448-9	462-2.5
Previous	463-4	477-78
High/low		482/461
AM Official	457.5-58.5	471-72
Kerb close		472-73
Open int.	31,794	
Total daily turnover	7,798	

■ NICKEL ($ per tonne)

	Cash	3 mths
Close	5200-10	5265-70
Previous	5190-200	5250-60
High/low		5280/5150
AM Official	5175-80	5243-48
Kerb close		5280-90
Open int.	49,263	
Total daily turnover	13,474	

■ TIN ($ per tonne)

	Cash	3 mths
Close	4695-705	4750-5
Previous	4815-25	4870-80
High/low	5755/5750	4860/4730
AM Official	4745-50	4800-05
Kerb close		4750-55
Open int.	15,817	
Total daily turnover	3,972	

■ ZINC, special high grade ($ per tonne)

	Cash	3 mths
Close	967.5-8.5	986-7
Previous	977.5-78.5	996-97
High/low		998/977
AM Official	966.5-67.5	986.5-87
Kerb close		990-91
Open int.	90,414	
Total daily turnover	23,245	

■ COPPER, grade A ($ per tonne)

	Cash	3 mths
Close	1713-4	1735.5-7
Previous	1723.5-24.5	1747-48
High/low	1724-23	1756/1730
AM Official	1723-24	1748.5-49
Kerb close		1737-38
Open int.	215,547	
Total daily turnover	69,400	

■ LME AM Official £/$ rate: 1.4850
LME Closing £/$ rate 1.4862

Spot:1.4834 3 mths:1.4762 6 mths:1.4710 9 mths:1.4674

■ HIGH GRADE COPPER (COMEX)

	Close	Day's change	High	low	Open int	Vol
Dec	78.60	-0.20	78.75	78.00	1,796	335
Jan	78.65	-0.25	78.75	78.05	1,770	336
Feb	78.90	-0.25	78.75	78.50	1,141	153
Mar	79.20	-0.25	79.30	78.10	42,699	806
Apr	79.35	-0.25	79.25	79.25	690	285
May	79.55	-0.25	79.70	78.50	7,435	794
Total					69,196	3,638

PRECIOUS METALS

■ LONDON BULLION MARKET
(Prices supplied by N M Rothschild)

Gold (Troy oz.)	$ price	£ equiv.
Close	384.80-385.20	
Opening	385.25-386.15	
Morning fix	385.90	259.498
Afternoon fix	385.60	259.716
Day's High	386.70-387.10	
Day's Low	383.80-384.20	
Previous close	386.80-387.20	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	2.80	6 months	2.81
2 months	2.80	12 months	2.83
3 months	2.80		

Silver Fix	p/troy oz.	US cts equiv.
Spot	342.85	509.50
3 months	347.30	513.30
6 months	351.35	517.35
1 year	359.25	526.65

Gold Coins	$ price	£ equiv.
Krugerrand	388-391	260-263
Maple Leaf	397.30-399.80	
New Sovereign	90-93	60-63

Precious Metals continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	low	Open int	Vol.
Dec	387.4	+0.4	387.5	385.1	714	87
Jan	388.0	+0.4	-	-	1	5
Feb	389.0	+0.4	389.8	385.2	89,289	23,074
Apr	390.9	+0.4	391.6	387.3	13,230	448
Jun	392.8	+0.4	393.8	389.2	21,346	1,434
Aug	394.7	+0.4	393.8	392.0	5,610	8
Total					156,428	26,206

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	low	Open int	Vol.
Dec	387.0	-0.5	-	-	1	-
Jan	387.7	-0.5	388.4	383.5	7,911	1,142
Apr	389.2	-0.5	390.0	385.0	11,016	1,076
Jul	390.2	-0.8	389.5	388.0	1,671	27
Oct	391.5	-0.8	392.0	392.0	170	4
Jan	392.8	-0.8	393.0	393.0	25	-
Total					20,794	2,249

■ PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	low	Open int	Vol.
Dec	126.50	-0.80	-	-	39	7
Mar	126.50	-0.80	127.00	124.75	3,847	93
Jun	125.50	-0.80	125.50	124.50	707	10
Sep	125.00	-0.80	-	-	52	-
Dec	124.00	-0.80	-	-	13	-
Total					4,458	110

■ SILVER COMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	low	Open int	Vol.
Dec	508.6	-	508.0	500.0	294	72
Jan	509.4	-	511.0	507.5	30	-
Feb	510.8	-	-	-	1	-
Mar	512.5	-	513.5	504.0	68,436	14,352
May	515.7	-	515.5	507.0	8,644	179
Jul	519.1	-	519.0	510.0	10,177	74
Total					110,272	14,825

ENERGY

■ CRUDE OIL NYMEX (42,000 US galls. $/barrel)

	Latest price	Day's change	High	Low	Open int	Vol
Jan	14.51	-0.01	14.58	14.37	67,232	58,368
Feb	14.91	-	14.96	14.77	98,887	60,796
Mar	15.26	-	15.30	15.16	60,132	17,323
Apr	15.49	-0.05	15.55	15.46	24,890	7,133
May	15.78	-0.02	15.84	15.71	22,333	3,583
Jun	16.04	-0.01	16.05	15.90	41,274	6,566
Total					452,488	165,125

■ CRUDE OIL IPE ($/barrel)

	Latest price	Day's change	High	Low	Open int	Vol
Jan	13.59	-7	13.70	13.53	48,013	13,258
Feb	13.80	+6	13.91	13.72	79,761	17,484
Mar	14.06	-1	14.11	14.00	17,593	3,725
Apr	14.28	+3	14.34	14.23	11,273	581
May	14.50	-3	14.61	14.49	5,832	649
Jun	14.76	-4	14.83	14.70	5,572	223
Total					175,927	60,527

■ HEATING OIL NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Open int	Vol
Jan	44.35	+49	44.70	43.80	62,739	21,870
Feb	45.35	+19	45.65	44.90	38,290	13,064
Mar	46.10	+9	46.30	45.85	26,259	6,430
Apr	46.05	+9	46.25	45.80	20,509	3,678
May	45.85	-1	46.00	45.70	24,110	2,087
Jun	45.85	-6	46.05	45.70	12,287	1,987
Total					207,774	50,580

■ GAS OIL IPE ($/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	143.50	-150	145.00	143.00	35,420	7,050
Feb	144.50	-135	146.00	144.25	20,531	2,878
Mar	145.75	-75	146.25	145.00	15,098	1,151
Apr	145.75	-75	146.75	145.50	9,544	722
May	146.25	-75	146.50	145.75	5,991	588
Jun	147.00	-50	147.75	146.75	7,539	1,147
Total					107,835	12,974

■ NATURAL GAS NYMEX (10,000 mmBtu.; $/mmBtu.)

	Latest price	Day's change	High	Low	Open int	Vol
Jan	2.050	+.034	2.075	1.980	21,978	19,570
Feb	1.975	+.025	2.000	1.920	16,503	7,255
Mar	1.945	+.025	1.965	1.900	14,501	3,569
Apr	1.945	+.030	1.950	1.890	12,420	1,801
May	1.940	+.025	1.955	1.890	8,004	1,097
Jun	1.940	+.020	1.945	1.885	7,361	1,168
Total					134,031	40,448

■ UNLEADED GASOLINE
NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Open int	Vol
Jan	39.95	+37	40.10	39.50	48,355	18,951
Feb	41.95	+14	42.10	41.45	31,768	11,291
Mar	43.65	+9	43.75	43.25	23,568	5,875
Apr	46.85	-15	47.05	46.80	18,930	1,645
May	47.75	-5	48.15	47.75	24,422	2,131
Jun	48.55	-15	48.65	48.50	6,973	826
Total					158,845	41,382

GRAINS AND OIL SEEDS

■ WHEAT LCE (£ per tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	98.90	-0.70	99.00	98.70	977	92
Mar	100.40	-0.50	100.50	100.00	1,987	252
May	101.70	-0.65	102.30	101.50	1,557	42
Jun	103.30	-	-	-	127	-
Sep	90.75	-	-	-	71	-
Nov	91.50	-0.30	91.50	91.40	341	9
Total					6097	398

■ WHEAT CBT (5,000bu min; cents/60lb bushel)

	Sett price	Day's change	High	Low	Open int	Vol
Dec	368/6	-1/4	369/0	365/4	4,080	870
Mar	366/2	-1/2	368/2	365/0	184,085	49,810
May	343/0	-0/6	345/2	342/6	33,170	3,210
Jul	329/6	-0/6	332/4	329/4	44,315	8,200
Sep	332/0	-0/4	333/6	331/4	2,895	270
Dec	341/0	-1/0	342/0	340/0	4,435	65
Total					251,305	62,420

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

	Sett price	Day's change	High	Low	Open int	Vol
Dec	287/4	+0/4	288/6	287/0	33,935	9,390
Mar	293/4	-	295/0	293/0	790,595	156.22
May	295/6	+0/4	297/2	294/6	329,515	30,245
Jul	295/0	+0/6	298/2	293/6	266,880	28,005
Sep	279/2	+0/6	280/2	278/4	43,065	2,700
Dec	264/4	+1/0	266/0	263/2	149,785	9,295
Total					1,618M	236,085

■ BARLEY LCE (£ per tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	103.50	-0.20	103.50	103.50	249	21
Mar	104.90	-0.30	104.90	104.90	587	20
May	106.50	-	106.50	106.50	207	5
Sep	92.25	-	-	-	40	
Nov	94.80	-	-	-	26	
Jan	96.75	-	-	-	-	
Total					1119	46

■ SOYABEANS CBT (5,000bu min; cents/60lb bushel)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	680/2	-0/4	683/0	678/4	276,380	140,190
Mar	686/6	-0/6	689/4	684/6	215,435	54,420
May	688/4	-0/4	691/0	686/6	134,520	12,410
Jul	686/6	-	690/4	686/4	125,440	14,785
Aug	684/2	+0/4	685/0	682/0	21,175	820
Sep	657/0	-3/0	660/0	657/0	13,475	8,205
Total					844,530	231,895

■ SOYABEAN OIL CBT (60,000lbs; cents/lb)

	Sett price	Day's change	High	Low	Open int	Vol
Dec	27.86	-0.17	27.85	27.50	2,674	3,400
Jan	27.65	-0.16	27.89	27.50	28,580	17,266
Mar	27.70	-0.14	27.89	27.56	31,063	9,511
May	27.39	-0.10	27.55	27.30	12,170	1,168
Jul	27.07	-0.05	27.15	26.95	10,888	1,935
Aug	26.60	-0.02	26.75	26.60	3,488	857
Total					93,584	35,348

■ SOYABEAN MEAL CBT (100 tons; $/ton)

	Sett price	Day's change	High	Low	Open int	Vol
Dec	200.0	-1.5	201.5	200.0	3,423	2,013
Jan	199.0	-0.5	199.8	198.6	26,849	14,373
Mar	199.3	-0.1	200.0	198.8	23,567	8,636
May	199.5	+0.3	200.2	198.8	11,025	1,582
Jul	199.7	+0.2	200.3	199.0	10,500	1,641
Aug	198.6	+0.1	199.0	198.5	4,880	536
Total					85,022	28,057

■ POTATOES LCE (£/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	120.0	-	-	-	31	-
Apr	96.5	-0.4	96.0	95.0	1,714	33
May	114.3	+0.2	113.5	113.5	489	1
Jun	-	-	-	-	2	-
Nov	-	-	-	-	-	-
Mar	-	-	-	-	-	-
Total					2234	34

■ FREIGHT (BIFFEX) LCE ($10/index point)

	Sett price	Day's change	High	Low	Open int	Vol
Dec	1234	-	-	-	194	-
Jan	1254	+4	1254	1254	959	5
Feb	1270	-	-	-	66	-
Apr	1295	+9	1295	1295	760	3
Jul	1165	-	-	-	225	-
Oct	1340	-	-	-	181	-
Total					2439	8

	Close	Prev
BFI	1231	1231

COTTON

Liverpool-Spot and shipment sales amounted to 77 tonnes for the week ended 10 December, against 248 Tonnes in the previous week. Subdued offtake did not bring many operations. Support was forthcoming in certain specialist styles. Notably in Central Asian and Turkish growths.

SOFTS

■ COCOA LCE (£/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Dec	953	0	-	-	48	-
Mar	1020	-7	1035	1018	47,379	3150
May	1025	-2	1037	1023	17,333	1183
Jul	1025	-2	1034	1024	7,716	310
Sep	1026	-2	1035	1025	10,365	327
Dec	1011	+1	1016	1008	13,818	
Total					139,813	6,086

■ COCOA CSCE (10 tonnes; $/tonnes)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	1233	-18	1255	1231	112	22
May	1261	-17	1282	1261	39,005	5,053
Jul	1284	-17	1300	1283	13,769	636
Sep	1304	-16	1320	1310	9,020	345
Dec	1318	-12	1326	1325	6,455	278
Mar	1329	-12	1341	1337	6,069	4
Total					92,399	6,342

■ COCOA (ICCO) (SDR's/tonne)

Dec 14	Price	Prev. day
Daily	1008.35	1013.35
Dec 15		
10 day average	1027.11	1028.11

■ COFFEE LCE ($/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	1253	-11	1275	1253	10,009	
Mar	1265	-4	1280	1264	116,071	
May	1249	-4	1261	1249	5,662	
Jul	1246	0	1253	1245	591	
Sep	1240	+1	1253	1245	739	
Nov	1240	-	-	-	179	
Total						

■ COFFEE 'C' CSCE (37,500lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Dec	78.15	-0.40	78.90	77.80	165	73
Mar	79.80	-0.30	80.25	79.10	36,137	10,315
May	80.85	-0.25	81.50	80.40	8,370	1,882
Jul	82.15	+0.05	82.60	81.75	2,292	417
Sep	83.25	+0.05	83.30	82.90	1,617	16
Dec	84.85	+0.10	84.75	84.75	1,134	3
Total					50,268	12,706

■ COFFEE (ICO) (US cents/pound)

Dec 14	Price	Prev. day
Comp. daily	73.22	72.54
15 day average	71.36	71.19

■ No7 PREMIUM RAW SUGAR LCE (cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	10.81	-0.07	10.86	10.61	1,172	5
May	11.10	-	11.10	11.10	638	5
Jul	11.19	-	-	-	2,919	
Oct	10.97	-	-	-	45	
Total					4,774	10

■ WHITE SUGAR LCE ($/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	281.50	-2.10	283.50	280.80	7,641	
May	283.50	-1.90	285.00	283.00	1,763	
Aug	290.00	-0.30	290.50	290.00	1,633	
Oct	277.50	-	277.50	277.30	1,880	
Dec	275.00	-	-	-	79	
Mar	276.20	-	-	-	57	
Total					12,734	569

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	10.64	-0.03	10.68	10.58	51,083	10,767
May	10.83	-0.02	10.86	10.78	21,768	3,277
Jul	10.76	-0.03	10.78	10.71	15,377	629
Oct	10.70	-0.02	10.73	10.67	12,217	417
Mar	10.73	-0.01	-	-	820	-
May	10.73	-0.01	-	-	11	-
Total					101,284	15,090

■ COTTON NYCE (50,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	65.05	+1.10	65.25	64.05	25,287	3,707
May	66.02	+0.97	66.30	65.30	8,582	1,233
Jul	67.07	+1.02	67.25	66.40	5,413	350
Oct	65.83	+0.53	66.10	65.70	907	31
Dec	64.60	+0.35	65.00	64.30	4,666	161
Mar	65.10	-	-	-	-	-
Total					44,895	5,472

■ ORANGE JUICE NYCE (15,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	110.90	+2.85	111.00	108.75	9,734	43
Mar	113.65	+2.40	113.95	111.50	6,818	849
May	116.75	+2.75	117.00	114.90	2,536	82
Jul	120.00	+3.25	119.25	117.50	840	16
Sep	122.00	+3.25	119.50	118.50	648	-
Nov	124.00	+3.75	124.00	124.00	129	1
Total					20,912	973

VOLUME DATA
Open Interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME and CSCE are one day in arrears.

INDICES

■ REUTERS (Base: 18/9/31=100)

Dec 15	Dec 14	month ago	year ago
1670.7	1669.7	1621.9	1668.0

■ CRB (Base: 4/9/56=100)

Dec 14	Dec 13	month ago	year ago
224.16	223.83	-	-

MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Dec	73.925	+.650	73.950	73.250	4,160	2,447
Feb	74.075	+.475	74.100	73.425	32,129	8,191
Apr	76.075	+.325	76.100	75.550	16,928	2,380
Jun	73.575	0.350	74.025	73.550	13,403	1,344
Aug	72.400	0.425	72.950	72.350	6,200	921
Oct	72.425	0.450	72.900	72.400	3,189	406
Total					76,837	15,722

■ LIVE HOGS CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Dec	43.525	0.800	43.850	43.200	749	467
Feb	46.350	0.125	46.450	45.875	12,067	2,778
Apr	46.650	0.275	46.750	46.525	4,936	696
Jun	52.500	0.375	52.800	52.300	3,317	596
Jul	52.050	0.300	52.250	52.000	835	50
Aug	50.825	0.350	51.175	50.725	701	31
Total					23,134	4,663

■ PORK BELLIES CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Feb	53.750	+.350	54.500	52.850	5,515	1,350
Mar	54.075	+.325	54.700	53.350	934	206
May	55.175	+.250	55.800	54.400	1,277	91
Jul	56.200	+.600	56.425	55.200	1,195	53
Aug	53.975	+.175	54.125	53.300	133	11
Total					8,854	1,713

LONDON TRADED OPTIONS

Strike price $ tonne — Calls — — Puts —

■ ALUMINIUM (99.7%) LME	Feb	May	Feb	May
1100	21	46	39	45
1125	13	35	56	59
1150	7	26	75	74
■ COPPER (Grade A) LME	Feb	May	Feb	May
1700	52	84	21	36
1750	26	58	46	59
1800	11	37	79	87
■ COFFEE LCE	Jan	Mar	Jan	Mar
1200	59	103	-	38
1250	8	76	5	60
1300		53	47	88
■ COCOA LCE	Mar	May	Mar	May
975	71	92	26	42
1000	56	78	36	53
1050	34	56	64	81
■ BRENT CRUDE IPE	Jan	Feb	Jan	Feb
1400	2	39	20	62
1450	3	22	-	91
1500	-	12	-	-

LONDON SPOT MARKETS

■ CRUDE OIL FOB (per barrel/Feb)		+or-
Dubai	$12.09-2.19w	-0.16
Brent Blend (dated)	$13.73-3.77	-0.195
Brent Blend (Feb)	$13.78-3.80	-0.16
W.T.I. (1pm est)	$14.46-4.48z	-0.23

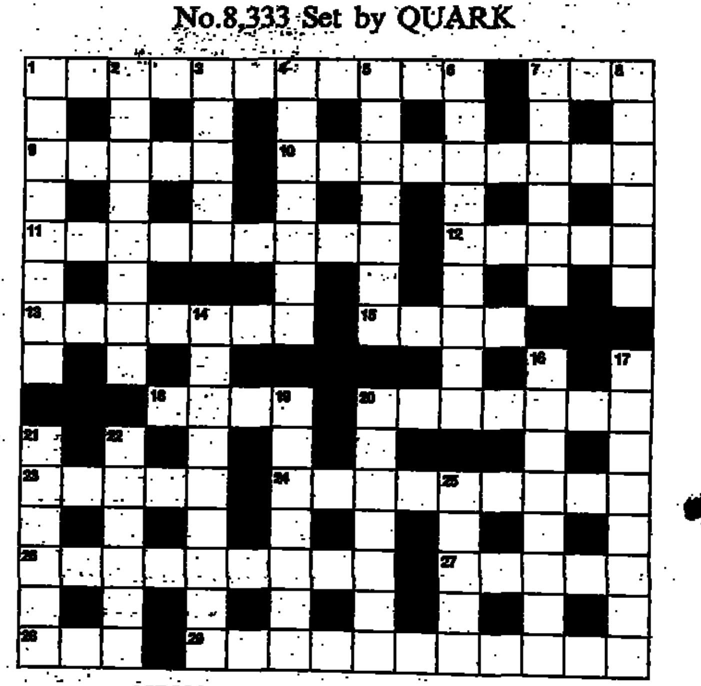
■ OIL PRODUCTS NWEprompt delivery CIF (tonne)		
Premium Gasoline	$141-143	-2
Gas Oil	$150-151	-1
Heavy Fuel Oil	$54-56	-1
Naphtha	$127-129	-2
Jet fuel	$169-170	+1
Petroleum Argus Estimates		

■ OTHER		
Gold (per troy oz)♣	$385.00	-2.0
Silver (per troy oz)♣	508.5c	-1.0
Platinum (per troy oz.)	$384.60	-2.4
Palladium (per troy oz.)	$124.65	-1.6
Copper (US prod.)	84.5c	
Lead (US prod.)	32.75c	
Tin (Kuala Lumpur)	12.08r	-0.12
Tin (New York)	224.5c	-4.0
Zinc (US Prime W.)	Unq.	
Cattle (live weight)†	120.95p	-1.89*
Sheep (live weight)†♣	91.91p	+2.79*
Pigs (live weight)	73.21p	-0.14*
Lon. day sugar (raw)	$272.50	-1.7
Lon. day sugar (wte)	$286.50	-2.5
Tate & Lyle export	£295.0	-1
Barley (Eng. feed)	£108.75y	
Maize (US No3 Yellow)	£129.0	
Wheat (US Dark North)	£175.0z	
Rubber (Jan)♥	61.00p	+0.25
Rubber (Feb)♥	61.25p	+0.25
Rubber (KL RSS No1 Jul)	209.0m	
Coconut Oil (Phil)§	$665.0x	+10.0
Palm Oil (Malay.)§	$412.5y	+2.5
Copra (Phil)§	$445	+25
Soyabeans (US)	£199.0	+6.5
Cotton 'A' Index	59.50c	+0.9
Wooltops (64s Super)	341p	

£ per tonne unless otherwise stated. p pence/kg. c cents/lb. r ringgit/kg. m Malaysian cents/kg. y Jan/Mar. w Feb. z Jan. v Sep/Oct. t Dec/Jan. x Mar/Apr. ♥ London Physical. § CIF Rotterdam. ♣ Bullion market close. ♣ Sheep (Live weight prices). * Change on week, provisional prices.

CROSSWORD

No.8,333 Set by QUARK



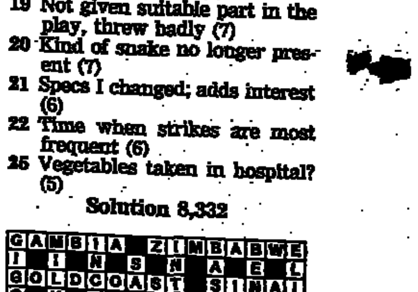
ACROSS

1 Rich English port is set out before records began (11)
7 Bath pipe cut short (3)
9 Produce a stir arranging tours (5)
10 Lofty Titania is unrealistic (4-5)
11 Removed from authority, act around the unsettled north (9)
12, 13 Children's writer follows guides; one records the numbers (5,7)
15 Stamp catalogue? (4)
18 Win the lot for a grand one (4)
20, 23 Pony with grit and energy was broken – a requirement for keeping on (7,5)
24 Get rid of endless lots here (9)
26 Proclaim famous unendingly (9)
27 Girl student's distinctive character (5)
28 Girl to make legal claim (3)
29 Right dubbing? (11)

DOWN

1 State of happiness is in an ostentatious display (8)
2 A term of mathematics or chemistry (8)
3 Father abandoned artist to place down under (5)
4 Terrain very rough for a coach (7)
5 Hanging about to redecorate bit of study? (7)
6 Get food without waiting here (9)
7 Bowled in Test (a kind of warfare?) (6)
8 The old uprising in union is past (6)
14 Role with a difference in the furniture fair (9)
16 Clear the air, make small adjustments (4,4)
17 Provider of dairy produce? No, of vegetable (8)
19 Not given suitable part in the play, threw badly (7)
20 Kind of snake no longer present (7)
21 Specs I changed; adds interest (6)
22 Time when strikes are most frequent (6)
25 Vegetables taken in hospital? (5)

Solution 8,332



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LONDON STOCK EXCHANGE

MARKET REPORT

Inflation news drives FT-SE Index to new peak

By Terry Byland, UK Stock Market Editor

International considerations were *put aside* on the London stock market yesterday, and the *FT-SE 100 Index closed* at a new peak on hopes that, following good news on domestic inflation, UK interest rates can be reduced sooner than expected. *Pre-expiry* activity in stock index futures continued to inspire Footsie-*listed* stocks, and dollar firmness supported the multinationals.

The UK stock market gathered pace towards the close, ending the *session* with a *gain* of 30.4 on the FT-SE 100 for a final reading of 3,278.8. The *FT-SE Mid 250 Index*, also at an all-time high, finished at 3,631.5, up 17.2.

The market opened cautiously as Wall Street's *overnight* weakness was mirrored by further losses on European bourses, with the political developments in Russia taking the blame. However, good premiums on both December and March futures contracts soon inspired careful buying of equities in London.

But the announcement that underlying inflation in the UK had dipped from 2.8 per cent to 2.5 per cent, better than predicted by the market, put muscle into the rise in equity prices. The welcome confirmation that domestic inflation remained subdued raised hopes that UK interest rates may yet be cut before the end of the year.

The good news on domestic inflation took the London market's attention away from today's policy meeting at the Bundesbank. At the same time, general economic optimism was boosted by a further rise in retail sales last month.

Gains were extended across the range of the market, with the surprising exception of store shares, which remained overshadowed by suggestions that Christmas trading may disappoint the best expectations.

A further advance was signalled when the March futures contract on the Footsie moved above 3,300, indicating market confidence that domestic interest rates will be lower by the end of the first quarter of 1994. Several analysts have predicted that rates will fall to 4 per cent.

A strong performance from the dollar stocks was highlighted by BP following a confident *meeting* with analysts in London yesterday. Pharmaceuticals were also in *demand*, and there was renewed buying of the bank shares which have heavily outperformed the stock market over the past month.

Among the day's newcomers, Mercury World Mining Investment Trust, the biggest trust launch on record, ended at a discount of a few pence to the 100p issue price after turnover of 12m shares.

Seaq volume increased to 752.7m shares yesterday from Tuesday's 706.5m, but traders stressed that futures-related trading had played an important part; genuine investment business was good, but not *outstanding, according to dealers at* a leading international brokerage *house. Non-Footsie activity dipped* to around 60 per cent of the total, *indicating the significance of* futures-related business as the big *securities traders sought to unwind* positions in futures.

On Tuesday, retail business returned a value total of £1.47bn, again an excellent figure by comparison with this year's daily averages and also for a pre-Christmas trading period.

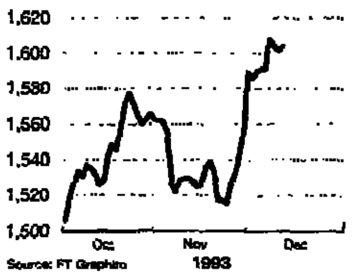
Equities ended the day on a very confident note, although traders were prepared for further turbulence today from the futures markets as December positions are rolled forward into March.

Account Dealing Dates

*First Dealings:	Nov 29	Dec 13	Jan 4
Option Declarations:	Dec 9	Dec 30	Jan 13
Last Dealings:	Dec 10	Dec 31	Jan 14
Account Day:	Dec 20	Jan 10	Jan 24

*New time dealings may take place from two business days earlier.

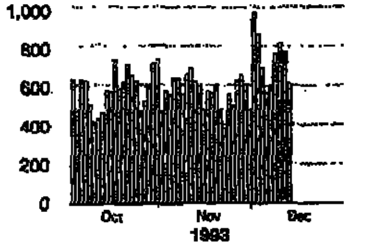
FT-A All-Share Index



Source: FT Graphite

Equity Shares Traded

Turnover by volume (million). Excluding: intra-market business and overseas turnover



Key Indicators

Indices and ratios

FT SE 100	3278.8	+30.4	FT Ordinary index	2468.8	+21.5
FT-SE Mid 250	3631.5	+17.2	FT-A 500 p/e	21.10	(20.84)
FT-SE-A 350	1633.0	+13.5	FT-SE100FutDec	3285.0	+36.0
FT-A All-Share	1612.46	+12.57	10 yr Gilt yield	6.29	(6.33)
FT-A All-Share yield	3.52	(3.55)	Yield ratio:	1.92	(1.92)

Best performing sectors

1	*Food Retailing*	+2.5
2	Brewers & Distillers	+1.8
3	Electricity	+1.7
4	Insurance (Life)	+1.4
5	Conglomerates	+1.4

Worst performing sectors

1	Property	-0.4
2	Insurance Brokers	-0.1
3	Textiles	-0.1
4	Stores	-0.1
5	FT-SE Small Cap ex IT	-0.1

Shares up on BP seminar

Dealers adopted a strongly bullish view of BP shares after the UK oil group gave what a number of oil sector specialists described as an impressive, competent and confident presentation to analysts and institutional fund managers in London yesterday. The company is scheduled to deliver a similar message to US analysts this morning in New York.

The London market registered *its pleasure* by marking BP shares higher, closing a net 6½ *firmer at 333p after keen* turnover of 11m.

Talking after the presentation, specialists said there was every chance that BP would resume the strong upward path that saw the shares rally from the 180p mark in August 1992 to the 360p reached in November this year.

The stock has fallen back sharply from those highs amid stories that US holders have turned sellers of the shares. BP reached a peak 377p in July 1987 and approached that level again in August 1990.

Mr David Simon, BP's chief executive, told the assembled group *that* BP is on track to meet its profits target of $2bn *by 1995 and had increased* this to $3bn the following year, *emphasising that these targets* hinged on an oil price of between $16 *to* $18 a barrel.

However, the market's archbear of BP, Mr John Toalster at Strauss Turnbull, remained unimpressed. "It was a slick performance," he said, "delivered with more style than substance; we're still sceptical and still sellers of BP."

Drugs strong

Pharmaceuticals stocks were strong ahead of an announcement, after the London market had closed, that *SmithKline* Beecham and Wellcome had products recommended for approval in the US.

SmithKline announced that the US Food and Drug Administration *had given initial* approval to Kytril, the company's *anti-nausea treatment for* cancer patients.

Kytril competes with the Glaxo product Zofran and is expected to achieve sales above £80m this year. Approval will be a relief to the company which had problems with its application earlier this year. US sales could add a further £30m to £80m depending on the precise guidelines for use.

Meanwhile, Wellcome received initial approval for a lung cancer drug. SmithKline rose 4 to 381p, *Glaxo* gained *6½* at 695p and Wellcome added a *penny at 635p ahead of its agm* today.

Standard Chartered, one of the bank sector's and market's best performers in recent weeks endured a turbulent session as the market reacted violently to suggestions of bad news on profit margins in its far eastern business.

The news, sourced from a routine press conference given by Standard's general manager in Hong Kong, quickly filtered into the London market where Standard shares plunged from an opening 1194p to a low-point of 1038p.

However, some soothing comments from Standard officials in London, who sought to emphasise that the Hong Kong manager's statement had been misconstrued and was not specifically about Standard Chartered, saw the share price recover strongly to close as net 16 off at 1079p, and "bid only" according to marketmakers.

Suggestions that Land Securities may be lining up a big property acquisition failed to help the share price which fell victim to profit-taking following the stock's recent impressive run. The deal, said to be worth £125m, is believed to involve some 120 properties from a wide variety of high yielding sites owned by Royal Insurance. Land shares – which began the year at just 444p – fell 8 to 784p, but turnover was relatively moderate.

NEW HIGHS AND LOWS FOR 1993

NEW HIGHS (235)

BRITISH FUNDS (17) AMERICANS (2) BANKS (3) HSBC, Ottomans, Westpac, BREWERS (1) Whitbread, BLDG MATLS (10) BPB, Baggeridge Brick, CRH, Caradon, Do 7¾pc Pf., Heywood Williams Pf., *Meyer Intl., RMC, SWP*, Wolseley, BUSINESS SERVS (1) BET, CHEMS (1) Laporte, CONGLOMERATES (1) Grampian, CONTG & CONSTRCN (7) *Bellway, Berkeley, Bryant*, McAlpine (A), Prowting, Sheriff, Wilson Bowden, ELECTRICALS (1) Sony, ELECTRICITY (7) Manweb, Midlands, Natl. Power, Northern, PowerGen, South Wales, Southern, ELECTRONICS (4) Bowthorpe, Elect'comps., Phonelink, Roxboro, ENG GEN (6) BSS, Cardo, FKI, GBE, Molins, Vickers, FOOD MANUF (4) Acatos & Hutch., Assoc. Brit. Foods, Greencore, Linton Park, HEALTH & HSEHOLD (2) Amersham, *Takare, HOTELS & LEIS (7)* Compass, Forte, Granada, Jurys, Kunick, Do 8¼pc Pf., Stanley, INSCE BROKERS (1) Archer (A.J.), INSCE COMPOSITE (1) Dalian Lloyds, INSCE LIFE (1) Transatlantic, INV TRUSTS (96) MEDIA (14) MTL & MTL FORMING (2) Ferraris, Glynwed, MISC (7) Birkby, Christies, Faber Prest, Frost, Kershaw (A), Rothmans, Walker Greenbank, MOTORS (4) BBA 6¾pc Pf., Bumdene, Cowie (T), Henlys, OTHER FINCL (1) Aberdeen Tst., OTHER INDLS (4) Morgan Crucible, Norcros, RJB, Whitecroft, PACKG, PAPER & PRINTG (4) API, Bemrose, Ferry Pickering, *Hunters Armley, PROP (4) Daejan*, Ests. & Gen. 5pc Pf., Rowlinson, Slough 8¼pc Pf., STORES (7) Carpetright, Lloyds Chems., Do 7¾pc Pf., MFI, Mallett, Rosebys, Vendome Luxury Units, TELE NETWORKS (3) Securicor, Do N/V, Security Servs., TEXTS (3) Dewhirst, Forminster, Helene, TRANSPORT (4) BAA, Forth Ports, IoM Steam, Mersey Docks, WATER (3) Thames, Wessex, Yorks., SOUTH AFRICANS (2) MINES (13).

NEW LOWS (22)

BRITISH FUNDS (1) BUSINESS SERVS (3) *Brooks Serv., Business Post, Reliance Sec.*, CHEMS (4) Courd 7p Pf., Doeflex, Holliday, Plysu, CONTG & CONSTRCN (1) Donelon Tyson, ENG GEN (1) Wheeaoe, HEALTH & HSEHOLD (1) Scholl, INSCE BROKERS (1) March & McLennan, INSCE COMPOSITE (1) Aon, MEDIA (1) Dorling Kindersley, OIL & GAS (3) Ex. Co Louisiana, LASMO 9¾pc Pf., Midland & Scott., PACKG, PAPER & PRINTG (2) Blagden, Carnaud Metalbox, STORES (2) Burton, Pentos, TEXTS (1) Courtaulds.

Data based on those Companies quoted on the London Share Service.

Two other property groups were undermined by talk of directors share sales with British Land slipping 3 to 428p and Frogmore Estates down 12 at 499p. Meanhwile, London Industrial, which specialises in *light industrial properties*, made its market debut at 320p. *The shares were well received* and closed 16 ahead at 336p.

The two English power generators delivered exceptionally strong performances, responding to a statement from Offer, *the electricity industry regulator*, that it may not recom*mend a referral of the compa*nies to the Monopolies and Mergers Commission. Offer said it wanted an agreement with the generators on more competition in the industry by the sale of some existing generation plants and assurances on prices for a reasonable period until a more competitive market is achieved.

Dealers said the market was looking for an agreement between the companies and the regulator and that such an agreement would trigger another substantial uprating for the shares. National Power reached a peak 453p before closing a net 13 higher at 449½p, after turnover of 11m. PowerGen raced up to an all-time high of 511p before closing 9 better at 509p, on turnover of 5.1m.

A big *US* seller took Reuters Holdings to a day's low of 1731p as the price responded to a sharp fall on Tuesday night in New York. When the stock had been offloaded the shares rallied to end 16 off at 1736p.

International conglomerate Hanson lifted 5 to 268½p as the group said its US coal subsidiaries hit by the recent national coal strike would start production again within the next few days.

Shares in RMC, *the construction industry group, jumped* 26 *to 930p as marketmakers were* gripped by a stock shortage.

Forte rose 10 to 258p as hopes rose that its Italian venture with *Ciga* will fight off challenges from other *hoteliers*.

Maligned supermarket stocks *continued their quiet march* back to respectable levels, hav*ing been heavily sold during* the spate of recent pre-Christmas price war stories. Yesterday, one leading food retail analyst said: "Some investors are realising that the price competition is not as aggressive as they were led to believe." All the leading stocks made good gains, with J. Sainsbury up 9 at 440p, Tesco 9 at 213¼p, Kwik Save 18 at 570p and Argyll 6½ at 268p.

Food manufacturers were also strong. Tate and Lyle survived concern over the glut of corn in the US market and rose 7 to 406p.

A profits warning from Pentos sent the shares crashing. They closed 8½ down at 26p.

Newspaper publisher Daily Mail & General Trust gained smartly after reporting a 74 per cent profits rise and a nine-for-one bonus issue to improve marketability of its shares. The 'A' shares rose 612p to £115.12.

Publisher Dorling Kindersley slid 89 to 221p after issuing a profits warning and announced the resignation of its managing director.

MARKET REPORTERS:
Christopher Price,
Peter John,
Steve Thompson.

■ Other statistics, Page 20

EQUITY FUTURES AND OPTIONS TRADING

With only one full trading day before expiry of futures and options contracts linked to the FT-SE 100 Index, dealers were furiously rolling out positions yesterday, *writes Peter John*.

The situation was intensified by some economic data which pushed the Footsie futures contract for December higher at the outset.

December opened at 3,259 and powered up to 3,293 as dealers with short positions tried to roll out their holdings to the contract which expires in March.

Those adjustments ensured that the contract traded at a premium of around 7 points above cash, compared with an estimated fair value of zero. It also pushed the March contract to a premium of between 22 and 25 above December, when most houses estimate that it should be at a premium of around 14.

Open interest, the number of existing short and long contracts, remained high, although derivatives dealers calculated that there would only be some 25,000 contracts left open by the start of dealing today. Of these, it is expected that between 12,000 and 14,000 will be allowed to expire while the rest will be rolled forward.

By the official close, the December contract was at 3,285, a premium of 8 to cash, with 17,292 lots dealt. Some 10,000 of those represented rolling forward to March, which was pushed up to 3,308.

In after-hours' dealing, December moved forward to retest the day's high, suggesting that there will be more upward pressure on the markets today.

Total traded options volume was uninspiring at 31,079 lots, with Lucas Industries the most active stock option (2,532 lots) as bid speculation returned.

■ FT-SE 100 INDEX FUTURES (LIFFE) £25 per full index point

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	3259.0	3285.0	+36.0	3293.0	3256.0	19110	33399
Mar	*3279.0*	*3308.0*	*+38.0*	*3313.0*	*3277.0*	*11238*	*45103*
Jun	3291.0	3319.0	+38.5	3296.0	3291.0	16	961

Contract traded on APT. Open interest figures are for previous day.

■ FT-SE 100 INDEX OPTION (LIFFE) (*3277) £10 per full index point

	3000		3050		3100		3150		3200		3250		3300		3350	
	C	P	C	P	C	P	C	P	C	P	C	P	C	P	C	P
Dec	284½	½	234½	½	184½	½	134½	½	85	½	37½	3	4½	22½	½	72½
Jan	286	3½	248	5	201½	9	157½	13½	116	22	79	36½	49½	58½	28½	90½
Feb	309½	7½	269½	10½	219½	16	179½	23	127½	35	102½	59½	73	72	50½	102
Mar	316½	13½	272	19½	229	25½	189	35	151½	47½	118½	65	88	88	65	114
Jun†	342	32½			263	52½			191	90½			139½	119		

Calls 5,365 Puts 4,874

■ EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

	2925		2975		3025		3075		3125		3175		3225		3275	
	C	P	C	P	C	P	C	P	C	P	C	P	C	P	C	P
Dec	360	½	310	½	260	½	210	½	160	½	110	½	60½	1	10½	8
Jan	369	2	320	2½	271½	3½	224	5½	178	10	134½	16	96	26½	63	44
Feb	380	3			284½	7			196	16			117½	38		
Mar	386½	10			295	16½			209	29			138½	52½		
Jun†	400	23½			319½	34½			241½	53½			174½	83½		

Calls 2,496 Puts 1,180 * Underlying index value. Premiums shown are based on settlement prices.
† Long dated expiry months.

FT - SE Actuaries Share Indices — The UK Series

	Dec 15	Day's chge%	Dec 14	Dec 13	Dec 10	Year ago	Div. yield%	Earn. yield%	P/E ratio	Xd adj. ytd	Total Return
FT-SE 100	3278.8	+0.9	3248.4	3254.6	3261.3	2732.8	3.60	5.33	23.31	97.16	1200.78
FT-SE Mid 250	3631.5	+0.5	3614.3	3607.6	3601.3	2698.8	3.37	5.23	23.46	95.10	1316.34
FT-SE Mid 250 ex Inv Trusts	3625.0	+0.5	3607.8	3601.6	3597.0	2710.9	3.48	5.60	22.10	97.74	1309.68
FT-SE-A 350	1633.0	+0.8	1619.5	1621.2	1623.2	1328.1	3.55	5.31	23.34	47.14	1224.68
FT-SE SmallCap	1782.47	—	1781.96	1779.06	1776.96	-	3.08	4.02	33.22	43.20	1351.31
FT-SE SmallCap ex Inv Trusts	1741.11	-0.1	1742.11	1739.81	1738.67	-	3.33	4.56	30.13	45.49	1322.16
FT-A ALL-SHARE	1612.46	+0.8	1599.89	1601.33	1603.06	1303.34	3.52	5.23	23.77	46.11	1230.72

■ FT-Actuaries All-Share

	Dec 15	Day's chge%	Dec 14	Dec 13	Dec 10	Year ago	Div. yield%	Earn yield%	P/E ratio	Xd adj. ytd	Total Return
1 CAPITAL GOODS(214)	1100.28	+0.5	1094.99	1094.54	1102.20	817.54	3.53	3.98	32.33	32.79	1309.36
2 Building Materials(28)	1344.49	+0.7	1334.85	1334.58	1345.67	815.82	3.35	2.75	50.38	35.60	1576.62
3 Contracting, Construction(29)	1093.55	+0.6	1086.68	1082.24	1082.28	656.13	2.91	1.17	80.00†	25.21	1530.02
4 Electricals(15)	3007.88	+1.2	2972.73	2965.74	2974.44	2337.78	4.50	3.52	34.89	107.78	1232.88
5 Electronics(38)	2717.33	+0.3	2710.16	2703.51	2723.50	2243.13	3.25	6.36	18.85	83.63	1200.97
6 Engineering-Aerospace(7)	464.00	+0.6	461.04	469.18	473.96	278.13	3.12	‡	‡	12.12	1627.52
7 Engineering-General(49)	641.62	+0.3	639.54	637.03	635.64	471.36	3.37	5.37	22.67	16.79	1296.59
8 Metals & Metal Forming(9)	502.33	——	502.38	507.75	506.29	305.33	2.37	0.67	80.00†	9.76	1600.46
9 Motors(20)	479.70	+0.3	478.21	475.91	472.09	349.16	4.61	3.79	36.64	19.73	1350.12
10 Other Industrials(19)	2130.50	+0.5	2120.36	2116.04	2153.70	1868.78	3.93	5.88	20.04	72.52	1112.41
21 CONSUMER GROUP(236)	1775.30	+0.8	1761.25	1764.06	1763.99	1702.04	3.38	6.34	19.05	47.39	1044.49
22 Brewers and Distillers(28)	2061.31	+1.8	2024.44	2037.52	2042.14	1991.26	3.71	6.82	17.55	58.78	1020.17
25 Food Manufacturing(24)	1381.02	+0.1	1379.49	1385.42	1390.55	1276.57	3.77	7.04	16.82	41.28	1076.82
26 Food Retailing(17)	2590.52	+2.5	2527.68	2508.88	2489.58	3154.76	3.70	10.12	12.27	76.62	822.33
27 Health & Household(31)	3596.28	+0.9	3565.52	3561.24	3557.24	4269.53	3.78	6.63	17.84	104.18	873.29
29 Hotels and Leisure(20)	1479.29	+0.9	1466.46	1466.40	1468.53	1200.66	4.02	5.74	21.81	53.05	1202.52
30 Media(34)	2373.22	+0.3	2366.80	2369.05	2377.23	1767.90	2.20	4.38	27.55	39.13	1327.81
31 Packaging and Paper(26)	937.61	+0.2	935.91	933.11	923.57	758.71	3.23	5.06	23.92	24.36	1237.79
34 Stores(39)	1397.28	-0.1	1398.64	1408.88	1405.59	1106.35	2.84	5.14	24.48	29.21	1235.28
35 Textiles(20)	802.94	-0.1	803.93	804.14	809.20	700.02	3.83	5.75	21.89	24.28	1109.78
40 OTHER GROUPS(144)	1755.29	+1.0	1738.23	1738.29	1744.82	1384.86	3.78	6.23	19.89	54.47	1269.06
41 Business Services(27)	1688.24	+1.2	1669.50	1660.75	1662.96	1435.71	2.89	7.02	16.15	35.84	1136.34
42 Chemicals(24)	1561.49	+0.2	1558.85	1560.47	1569.90	1384.74	4.17	0.29	‡	55.80	1140.87
43 Conglomerates(11)	1584.16	+1.4	1562.48	1567.06	1576.51	1311.85	4.85	3.32	45.19	59.77	1196.17
44 Transport(16)	3526.87	+1.2	3486.67	3482.53	3483.65	2650.60	3.37	3.77	29.98	102.40	1324.70
45 Electricity(17)	2398.43	+1.7	2358.85	2350.35	2385.61	1491.17	3.44	10.26	12.00	67.64	1592.09
46 Telephone Networks(4)	2073.12	+0.4	2065.37	2068.32	2091.02	1612.88	3.39	6.05	20.26	57.72	1274.20
47 Water(13)	4108.56	+0.1	4105.01	4045.88	3979.77	3244.63	4.42	10.77	10.26	150.51	1328.28
48 Miscellaneous(32)	2633.88	+1.9	2584.86	2580.32	2606.31	2430.18	4.32	6.78	17.69	85.93	1108.33
49 INDUSTRIAL GROUP(597)	1612.24	+0.8	1599.49	1598.59	1604.83	1379.99	3.55	5.82	21.03	46.39	1164.04
51 Oil & Gas(17)	2777.07	+1.2	2745.44	2751.96	2708.01	2108.30	4.03	5.75	21.74	89.73	1288.14
59 "500" SHARE INDEX(614)	1715.24	+0.8	1701.04	1701.57	1703.68	1449.57	3.60	5.82	21.10	50.04	1176.63
61 FINANCIAL GROUP(91)	1287.95	+0.6	1280.10	1285.85	1287.75	842.78	3.38	3.10	47.09	35.97	1530.27
62 Banks(9)	1853.31	+0.7	1841.05	1839.70	1842.74	1154.73	2.93	3.69	37.58	47.01	1612.71
65 Insurance (Life)(6)	2139.44	+1.4	2109.70	2148.10	2142.35	1716.51	4.30	4.48	28.10	73.50	1264.38
66 Insurance (Composite)(7)	734.03	+1.3	724.41	740.04	741.02	609.85	4.59	‡	‡	26.54	1220.94
67 Insurance Brokers(10)	842.33	-0.1	843.57	862.81	860.10	733.60	4.59	4.96	29.42	30.41	1131.99
68 Merchant Banks(6)	851.80	——	851.85	852.67	856.93	483.97	2.77	6.83	17.97	18.79	1747.05
69 Property(30)	1155.89	-0.4	1160.83	1162.29	1167.04	607.33	3.53	3.37	40.70	32.41	1877.73
70 Other Financial(23)	466.45	+0.2	465.57	468.20	465.60	278.90	3.45	5.40	24.34	11.99	1697.29
71 Investment Trusts(110)	1846.84	+0.4	1838.62	1832.84	1823.64	1267.74	2.22	1.79	55.92	32.98	1415.32
99 FT-A ALL-SHARE(815)	1612.46	+0.8	1599.89	1601.33	1603.06	1303.34	3.52	5.23	23.77	46.11	1230.72

■ Hourly movements

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	High/day	Low/day
FT-SE 100	3247.7	3259.2	3263.6	3260.1	3266.4	3265.9	3266.9	3282.5	3277.4	3282.5	3247.7
FT-SE Mid 250	3613.0	3616.2	3618.4	3618.2	3619.9	3622.0	3624.5	3629.6	3630.3	3631.5	3613.0
FT-SE-A 350	1619.1	1623.8	1625.8	1624.4	1627.0	1627.0	1627.7	1634.2	1632.3	1634.2	1619.1

Time of FT-SE 100 High 3.00pm Low 8.30am

■ FT-SE Actuaries 350 Industry baskets

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	Close	Previous	Change
Construction	2105.0	2107.7	2110.3	2111.1	2115.0	2114.8	2116.2	2120.7	2122.0	2122.4	2104.3	+18.1
Health & H'hold	1073.4	1075.8	1078.1	1078.6	1083.8	1083.5	1083.5	1088.8	1084.8	1086.6	1077.0	+9.6
Water	1695.8	1699.6	1696.7	1697.8	1687.4	1688.6	1692.2	1701.2	1698.5	1698.7	1697.3	+1.4
Banks	2236.8	2248.9	2257.1	2246.3	2247.8	2248.7	2246.2	2253.6	2251.9	2252.7	2237.8	+14.9

Additional information on the FT-SE Actuaries Share Indices is published in Saturday issues. Lists of constituents are available from The Financial Times Limited, One Southwark Bridge, London SE1 9HL. The FT-SE Actuaries Share Indices Service, which covers a range of electronic and paper-based products relating to these indices, is available from FINSTAT at the same address. The increase in the size of the FT-Actuaries All-Share Index from January 4 1993 means that the FT 500 now contains more stocks. It has been renamed the FT "500". The FT-SE 100, the FT-SE Mid 250, FT-SE Actuaries 350 and the FT-SE Actuaries Industry baskets are calculated by the International Stock Exchange of the United Kingdom and Republic of Ireland and the FT-Actuaries All-Share Index is compiled by The Financial Times Limited, both in conjunction with the Institute of Actuaries and the Faculty of Actuaries under a standard set of ground rules. The FT-SE Actuaries Share Indices are audited by The WM Company.
† Sector P/E ratios greater than 80 are not shown. ‡ Values are negative.

TRADING VOLUME

■ Major Stocks yesterday

	Vol. 000s	Closing price	Day's change
ASDA Group†	17,000	54	+1½
Abbey National†	2,100	465	+3
Albert Fisher	2,800	64	
Allied-Lyons†	695	625	+7
Anglian Water†	732	588	+2
Argos	386	389	
Argyll Group†	4,200	268	+6½
Arjo Wiggins†	2,100	249	+6
Assoc. Brit. Foods†	271	547	+4½
Ass. Brit. Ports	43	521	-1
BAA†	1,200	1013	+18
BAT Inds.†	2,900	527	+12
BET	3,800	139½	+2
BICC	923	416	+10
BOC†	784	833	+3
BP†	11,000	333	+6½
BPB Inds.	941	324	+2
BT†	8,100	466½	+2½
BT (P/Pd)	2,400	212½	+1½
BTR†	11,000	339	+3
Bank of Scotland†	3,000	229	+3
Barclays†	1,900	612	
Bass†	2,200	553	+18
Blue Circle†	2,000	336	+2
Booker	794	406	-1
Boots†	2,800	537	+2½
Bowater†	2,000	482	-13
Brit. Aerospace†	3,300	400	-3
British Airways†	1,200	444	+7
British Gas†	5,500	355	+4½
British Land	917	428	-3
British Steel†	5,000	130	-1
Bunzl	90	135	
Burmah Castrol†	192	808	+2
Burton	10,000	61½	
Cable & Wire.†	2,700	460	+5
Cadbury Schweppes†	1,000	482	+6
Calor Group	137	308	
Caradon†	1,200	378	+9
Carlton Comms.†	734	882	-2
Coats Viyella†	6,200	264	-2
Comm. Union†	1,900	654	+13
Cookson	975	218	+1
Courtaulds†	2,900	467	-7
Dalgety	22	470	
De La Rue	250	820	+6
Dixons	3,000	276	-8
Eastern Elect.	914	658	+4
East Midland Elect.	1,400	643	+4
Eng China Clays	495	412	+3
Enterprise Oil†	610	440	+5
Eurotunnel Units	477	510	-1
FKI	996	189	+1
Fisons	15,000	107	-2
Foreign & Col. I.T.	574	279	+1
Forte†	3,600	258	+10
Gen. Accident†	653	711	+5
General Elect.†	6,700	314	+1
Glaxo†	6,000	695	+6½
Glynwed Int.	369	348	+7
Granada†	4,300	512	+11
Grand Met.†	5,200	451	+8
GUS†	3,000	595	+2
GRE†	1,700	217	+5
GKN	1,200	494	+4
Guinness†	1,300	477	+12
HSBC (75p shs)†	2,400	831	+12
Hammerson	173	410	+5
Hanson†	7,000	268½	+5
Harrisons Crosfield	216	204	
Hays	260	259	
Hillsdown	2,700	152	
IMI	825	309	+3
ICI†	1,900	746	+6
Inchcape†	1,400	544	+12
Johnson Matthey	72	504	+2
Kingfisher†	1,100	725	+6
Kwik Save	1,100	570	+18
Ladbroke†	5,800	153	-2
Land Securities†	1,400	784	-8
Laporte	457	701	+4
Legal & General†	808	523	+8
Lloyds Abbey	961	431	+8
Lloyds Bank†	2,400	639	+12
LASMO	3,900	108	+1
London Elect.	785	643	-1
Lonrho	1,800	128½	-5½
Lucas	1,700	195	-½
MEPC†	2,300	535	-2
MFI	2,000	153	+6
Manweb	382	731	+6
Marks & Spencer†	5,600	438½	-5½
Midlands Elect.	1,600	702	+4
Morrison (Wm.)	1,900	97	+2
NFC†	2,200	226	-1
NatWest Bank†	3,900	597	+4
National Power†	11,000	449½	+13
Next	2,300	204½	-3½
North West Water†	1,100	589	+3
Northern Elect.	321	713	+7
Northern Foods†	2,800	219	+8
Norweb	594	714	+13
Pearson†	822	597	+8
P & O†	1,600	620	+8
Pilkington	1,800	164	
PowerGen†	5,100	509	+9
Prudential†	6,300	354	+7
RMC†	667	930	+26
RTZ†	4,000	757	-2
Racal	4,100	179	
Rank Org.†	367	935	-1
Reckitt & Colman†	382	651	+6
Redland†	1,400	572	-5
Reed Intl.†	1,400	805	+7
Rentokil†	1,400	219	+1
Reuters†	1,200	1736	-16
Rolls Royce†	6,500	168	+4
Ryl Bk Scotland†	4,200	438	+5
Royal Insurance†	1,800	311	
Sainsbury†	7,600	440	+9
Schroders†	91	1270	+7
Scottish & New.†	2,700	541	+6
Scot. Hydro-Elect.	1,500	446	+11
Scottish Power†	1,700	447	+13
Sears†	7,800	127	+1
Sedgwick	1,500	179	
Seeboard	185	715	+3
Severn Trent†	692	822	-4
Shell Transport†	3,400	695	+4
Siebe†	2,000	570	-2
Slough Ests	341	280	+1
Smith (W.H.) A	829	507	
Smith & Nephew†	1,100	148	+1
SmKl Beecham†	3,700	381	+4
SmKl Beecham Uts.†	10,000	352	+6
Smiths Inds.	681	440	+1
Southern Elect.†	934	691	+12
South Wales Elect.	218	724	+8
South West Water	464	648	-7
South West. Elect.	102	664	+1
Southern Water	742	659	-1
Standard Chartd.†	2,600	1079	-16
Storehouse	4,000	232	+3
Sun Alliance†	3,200	371	+6
T&N	2,000	200	+2
TI Group†	1,100	394	
TSB†	5,800	245	-3
Tarmac	3,900	158	-1
Tate & Lyle	4,200	396	-3
Taylor Woodrow	887	136	+3
Tesco†	12,000	213½	+9
Thames Water†	1,600	563	+3
Thorn EMI†	1,300	987	+4
Tomkins†	2,800	237	+3
Trafalgar House	5,800	80	+2½
Unigate	847	369	+9
Unilever†	1,700	1159	-9
United Biscuits†	1,300	342	-2
Utd. Newspapers	727	608	+7
Vodafone†	1,900	561	-10
Warburg (SG)†	486	681	-8
Wellcome†	1,600	635	+1
Welsh Water	753	715	+2
Wessex Water	238	639	-1
Whitbread 'A'†	1,200	587	+13
Williams Hldgs.†	1,400	352	+4
Willis Corroon	71	218	
Wimpey	1,100	167	-3
Wolseley†	301	833	+13
Yorkshire Elect.	240	662	+2
Yorkshire Water	140	617	+1
Zeneca†	1,600	785	+5

Based on trading volume for a selection of major securities dealt through the SEAQ system yesterday until 4.30pm. *Trades of one million or more are rounded down.* † Indicates an FT-SE 100 Index constituent.

LONDON EQUITIES

LIFFE EQUITY OPTIONS

Option		Calls Jan	Calls Apr	Calls Jul	Puts Jan	Puts Apr	Puts Jul
Allied-Lyons	600	35½	52½	59	7½	17	30½
(*625)	650	9	26	33	33	42½	57½
Argyll	260	16	27	31½	7½	12½	20½
(*268)	280	8	17	22	19	23½	31
ASDA	50	6½	8	11	2½	4½	5½
(*54)	60	2	4½	6½	8	11	11½
Brit Airways	420	33½	46	53½	8	17	24
(*443)	460	12½	24	33½	27½	35	44
Smkl Bchm A	360	31½	40	49	7	17½	24½
(*380)	390	15	28	34½	21	33½	40
Boots	500	44	58	64½	5½	11	19
(*537)	550	12	26	35	23	31½	42½
BP	330	14½	22	28	9½	16½	22½
(*332)	360	4	9	14½	31	35½	40
British Steel	130	7	12	16½	6	11½	13
(*130)	140	3	7½	13	12½	17	20
Bass	550	20½	35½	44	15½	25	32½
(*553)	600	5	14½	22½	51	56½	62½
Cable & Wire	475	26½	43½	54½	11	19	27
(*490)	500	16½	29½	41	23	31½	38½
Courtaulds	460	21	34	42½	12½	18½	29½
(*466)	500	5	16½	24	38½	42½	53
Comm Union	650	21½	32½	47½	16	31	37
(*653)	700	4½	13½	25½	51	64½	68½
ICI	681	72½	-	-	4	-	-
(*745)	750	23	35	46½	24½	48½	55½
Kingfisher	700	39½	57½	67½	11	22½	34½
(*725)	750	14	31	42	35½	47	60½
Land Secur	750	45	61	69	6	14	24½
(*784)	800	14	30½	41	27	34½	48½
Marks & S	420	26½	37½	42	5½	12½	18
(*438)	460	6	16½	22	26	32½	38
NatWest	550	54	62	71	4	15	22
(*596)	600	20½	30½	43	19½	37½	44½
Sainsbury	420	26	41	48	7½	15½	24
(*440)	460	6½	21	29	28	34½	45
Shell Trans.	650	52½	59½	66½	3	13½	19½
(*694)	700	16½	26½	37½	18½	36	43
Storehouse	220	15	22½	27	5½	10½	14
(*241)	240	4	12½	17	16½	21½	24½
Trafalgar	80	5	10½	13	6½	9½	11½
(*80)	90	2	6½	9	14½	16½	17½
Unilever	1150	38	69	76½	22	45½	57½
(*1158)	1200	14	34½	54	52	74	84½
Zeneca	750	49½	62½	78	9½	29½	42½
(*785)	800	19½	34½	50½	32	56½	68

Option		Feb	May	Aug	Feb	May	Aug
Grand Met	420	36½	43½	51½	10½	17	20½
(*450)	460	13½	21½	30½	30½	35½	40½
Ladbroke	140	21½	24	28	6½	11½	15
(*153)	160	10½	15	16	16	23½	27
Utd Biscuits	330	26	30½	34½	9½	18	23
(*342)	360	11½	14½	21½	26½	36½	42

Option		Dec	Mar	Jun	Dec	Mar	Jun
Fisons	100	9½	18	25	2	10½	16
(*107)	110	4	13½	20½	6	16	22

Option		Feb	May	Aug	Feb	May	Aug
Brit Aero	390	33½	44½	57½	22	32½	41
(*400)	420	18	32½	43	38	49½	57½
BAT Inds	500	43½	49	64	10½	21½	29
(*527)	550	15	22½	28½	34	49½	56½
BTR	330	21½	26½	32½	9	17	21
(*339)	360	7	12½	19	26½	35½	37½
Brit Telecom	460	22	31	36½	11½	15	23½
(*467)	500	6	13	18½	37½	39½	46
Cadbury Sch	453	46½	50½	-	4	13	-
(*490)	493	19½	25	-	17½	31	-
Eastern Elec	650	28	41	61½	21	28	39½
(*658)	700	8½	20	29½	54½	59	70½
Guinness	460	32	41	47½	13	22	28½
(*475)	500	12½	20½	28	33	45	51½
GEC	300	23	29½	34	5½	8½	14½
(*314)	330	7	13½	18	21½	24½	30½
Hanson	260	16½	19½	23½	5½	10	14
(*268)	280	8½	10½	14½	16	21	25

Option		Calls Feb	Calls May	Calls Aug	Puts Feb	Puts May	Puts Aug
Lasmo	100	18	22	25	6½	12	14
(*108)	110	12	16	20	11½	16	19½
Lucas Inds	180	22	25½	30	5	9	12½
(*194)	200	10½	14	19½	14	19	22
P & O	600	41	51	65	16	28	33
(*619)	650	15½	26½	41½	44	56	60½
Pilkington	160	12½	17½	21½	8	12	15
(*163)	180	5	9½	13	22½	24½	27
Prudential	330	32	35½	39½	5	11½	14
(*353)	360	12½	18	23½	16½	26½	29½
RTZ	750	35	49½	65	25	36	43½
(*757)	800	13	27	42½	55	65	71½
Redland	550	41½	49	57	15½	31	36½
(*571)	600	17	24½	33½	40	59½	65
Royal Insce	288	31½	-	-	5½	-	-
(*310)	317	13½	-	-	18½	-	-
Tesco	200	21	23	28½	5½	12	13½
(*213)	220	9	15	18½	14	23	24½
Vodafone	550	43½	60	73	26	37	49
(*561)	600	21½	36½	51	55½	66	76
Williams	330	30	38	40	5½	12½	16½
(*351)	360	13	18	25	18½	28½	32

Option		Jan	Apr	Jul	Jan	Apr	Jul
BAA	1000	37	63½	81½	18½	33½	46½
(*1012)	1050	15	39	56½	48	60	72
Thames Wtr	550	41½	52½	63	5	13	25
(*583)	600	12	26	35	25½	32	51

Option		Dec	Mar	Jun	Dec	Mar	Jun
Abbey Natl	460	8½	26	32½	5½	23½	28
(*463)	500	1	9½	16	39	50	53
Amstrad	40	2	5	7	2	4½	6
(*40)	45	1	3½	5	6	8	9
Barclays	600	17	40	48½	4½	26½	34
(*611)	650	1½	17	26	41	58	62½
Blue Circle	330	10½	25½	31½	4½	17	25½
(*336)	360	1½	12	19	27	34½	44
British Gas	330	27	35	39½	1½	5½	11½
(*355)	360	3½	18½	21	9	17½	25½
Dixons	260	16	28½	35½	1½	12	16½
(*276)	280	4½	17½	25	8½	21½	26½
Eurotunnel	500	17	-	-	7½	-	-
(*510)	550	1½	-	-	45	-	-
Hillsdown	140	13½	19½	21	1	5½	11
(*151)	160	1½	8½	10½	11	16	23
Lonrho	120	10½	16	20	1	7	10
(*128)	130	3	11	15	4½	12½	15½
Natl Power	420	31½	42½	50	1½	7	13½
(*449)	460	5½	18½	28	14	24½	32
Scot Power	420	28	36½	46	1	8½	13½
(*446)	460	2	15	23½	16½	28½	32½
Sears	120	8½	13½	15½	1	4½	6½
(*127)	130	1½	7½	9½	4½	9	12
Forte	240	19½	28	33	1½	8½	13½
(*257)	260	4	18½	21	6½	17½	23½
Tarmac	155	6	15	18½	3	10½	15
(*157)	174	1	7	11	18½	22½	27
Thorn EMI	950	41½	63	84½	2	26	36
(*986)	1000	6½	36½	57	21	51½	61
TSB	240	8	17	23	2½	12½	16
(*245)	260	1½	7½	13½	16½	25	27½
Tomkins	220	18	24½	29½	1	6½	9½
(*236)	240	3½	13½	17½	6½	15½	19
Vaal Reefs	90	11	-	-	2	-	-
(*$98)	100	4	-	-	5½	-	-
Wellcome	600	38½	67	76½	2½	23½	37
(*633)	650	7½	39½	54	23	47	62½

Option		Dec	Apr	Jul	Dec	Apr	Jul
Glaxo	650	48	77	95½	2	29	43
(*693)	700	10½	50	69½	16½	54	67½
HSBC 75p shs	800	36	71½	83	4	38	51
(*830)	850	6½	45	58	27	65	77

Option		Dec	Feb	May	Dec	Feb	May
Reuters	1700	46	118	152	9	71	94½
(*1735)	1750	16½	89	126	31	96	119

Option		Dec	Feb	May	Dec	Feb	May
Rolls-Royce	160	1	12½	19½	33	8	11
(*167)	180	1	5	10	53	22½	23

* Underlying security price. Premiums shown are based on closing offer prices.
December 15 Total contracts 30,715 Calls: 17,749 Puts: 12,966

TRADITIONAL OPTIONS

First Dealings	Dec. 6	Last Declarations	March 10
Last Dealings	Dec.17	For settlement	March 21

3-month call rate indications are shown in Saturday editions.

Calls: BTR Wts., Babcock, Eurotunnel, Ferromet, Fisons, Flextech, Greycoat, Hunting Intl., Medeva, Minmet, NJ Elect., Signet, Simon Eng., Standard Chart. Puts: Avesco, Trafalgar House, Yorkshire TT TV Wts.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	23	44	12
Other Fixed Interest	0	0	15
Commercial, Industrial	351	214	872
Financial	52	41	79
Property	19	21	94
Investment Trusts	147	27	382
Oil & Gas	18	22	42
Mines	24	40	76
Others	45	42	66
Totals	679	451	1,618

Data based on those companies listed on the London Share Service.

LONDON RECENT ISSUES: EQUITIES

Issue price p	Amt paid up	Mkt. cap (£m)	1993 High	1993 Low	Stock	Close price p	+/-	Net div.	Div. cov.	Grs yld	P/E net
100	F.P.	27.9	102	92	Abtrust Lloyds	93		-	-	-	-
-	F.P.	2.4	40	36	Do Warrants	40		-	-	-	-
100	F.P.	30.5	101	100	Amicable Smlr Ent	101		-	-	-	-
100	F.P.	66.2	98	91	Angerstein	98		-	-	-	-
230	F.P.	57.0	262	230	Azlan	261	+1	L3.0	2.8	1.4	31.1
115	F.P.	94.1	121	106	Badgerline	109		R4.1	2.1	4.7	12.9
130	F.P.	46.2	153	138	Biotrace Intl.	150		-	-	-	-
100	F.P.	113.3	103	96	CLM Insce	103		-	-	-	-
250	F.P.	157.4	250	217	Celltech	223	+4	-	-	-	-
260	F.P.	314.9	305	268	*DFS Furniture*	302	+5	L6.4	2.1	2.6	22.9
180	F.P.	59.2	183	166	Fenchurch	169	+2	W7.2	1.5	5.3	15.1
-	F.P.	32.3	112	101½	Finsbury Under'wrt	107½		-	-	-	-
100	F.P.	40.2	102	100	*For & Col Small C*	100½		-	-	-	-
168	F.P.	374.9	188	168	Gartmore	186		W4.0	2.0	2.7	23.0
100	F.P.	54.5	110	102	Govett High Inc	109		-	-	-	-
100	F.P.	65.8	103	98	HCG Lloyds Tst	101		-	-	-	-
-	F.P.	0.0	5	3	§Harmony Wrnts.	4½		-	-	-	-
250	F.P.	59.2	257	246	Hozelock	249		W6.0	2.2	3.0	17.7
100	F.P.	25.5	111	106	Inspirations	111		NR3.5	2.1	3.9	10.5
100	F.P.	112.2	111	100	Johnson Fry 2nd	110	+½	-	-	-	-
100	*F.P.*	*50.3*	*105*	*102½*	*Do Zero Div Pfd*	*104¾*		-	-	-	-
50	P.P.	10.4	53	52	Kleinwort 2nd End	52		-	-	-	-
135	F.P.	27.9	128	120	Lilliput	120	-1	R4.35	2.1	4.5	12.9
190	*F.P.*	*55.4*	*211*	*191*	*Litho Sppls.*	*210*		*R6.5*	*2.0*	*3.9*	*16.2*
320	F.P.	30.8	336	333	London Indl	336		uN7.0	1.2	2.6	22.1
100	F.P.	43.5	108	94½	Masthead Insce.	108		-	-	-	-
100	F.P.	487.5	97½	86	Mercury Wrld Mng	97½		-	-	-	-
-	F.P.	42.5	44	42	Do Warrants	42½		-	-	-	-
§40	F.P.	7.7	44	39	§Millgate	41		2.5	1.8	7.6	9.4
100	F.P.	25.9	105	100	Morgan Grenfell C	103½		-	-	-	-
100	F.P.	25.8	101	98	NM Smlr. Aust.	100		-	-	-	-
100	F.P.	58.2	97	92	New London Cap	97		-	-	-	-
§78	F.P.	55.6	120	94	§On Demand Info	109		-	-	-	-
100	F.P.	15.4	100	100	Pilot Inv C	100		-	-	-	-
-	*F.P.*	*18.6*	*97*	*94*	*Premium Trust*	*94*		-	-	-	-
-	F.P.	16.1	122	107	Premium U'wrtng	122	+6	-	-	-	-
-	F.P.	123.2	226	193	Royal Doulton	224		H6.6	-	3.7	-
150	*F.P.*	*81.5*	*169*	*159*	*Ruberoid*	*169*	*+5*	*R5.4*	*1.9*	*4.0*	*16.1*
100	F.P.	47.5	98	92	Syndicate Cap.	95	-1	-	-	-	-
160	F.P.	64.4	203	178	Telspec	203	+3	R2.5	2.6	1.5	25.5
-	*F.P.*	*24.2*	*111*	*101*	*Ugland Intl*	*101*	*-2*	-	-	-	-
100	F.P.	20.0	99	93	Wigmore Prop.	99		-	-	-	-
-	F.P.	1.7	43	28	Do Warrants	43		-	-	-	-

† Introduction. § Placing price. F.P. Fully-paid security. For an explanation of other notes, please refer to the Guide to the London Share Service.

RIGHTS OFFERS

Issue price p	Amount paid up	Latest Renun. date	1993 *High*	1993 *Low*	*Stock*	Closing price p	+or-
89	Nil	21/1	33pm	28pm	Banner Homes	28pm	
50	*Nil*	*27/1*	*4pm*	*4pm*	*Dwyer A*	*4pm*	
12½	Nil	26/1	5pm	2½pm	Greycoat	3pm	
195	Nil	31/1	40pm	17pm	NFC	26pm	-1
11	*Nil*	*4/1*	*7½pm*	*2½pm*	*Serif*	*7½pm*	
145	Nil	5/1	20pm	18pm	Tay Homes	20pm	
152	Nil	14/1	23pm	11pm	Wyevale Garden	19pm	

pm Price at a premium.

FINANCIAL TIMES EQUITY INDICES

	Dec 15	Dec 14	Dec 13	Dec 10	Dec 9	Yr ago	*High	*Low
Ordinary share	2468.8	2447.3	2453.3	2459.6	2462.9	2081.6	2482.9	2124.7
Ord. div. yield	*3.78*	*3.80*	*3.78*	*3.77*	*3.77*	*4.46*	*4.62*	*3.77*
Earn. yld. % full	4.31	4.34	4.32	4.30	4.29	6.10	6.38	4.29
P/E ratio net	29.26	29.08	29.20	29.35	29.38	20.92	29.38	19.40
P/E ratio nil	27.15	26.98	27.08	27.18	27.21	19.32	27.21	18.14
Gold Mines	251.8	255.2	257.6	248.7	251.7	64.0	257.6	60.0

*For 1993. Ordinary share index since compilation: high 2482.9 9/12/93; low 49.4 26/6/40
Gold Mines Index since compilation high: 734.7 15/2/83 - low 43.5 26/10/71
Ordinary share base date 1/7/35; Gold Mines 12/9/55.

Ordinary Share hourly changes

Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High	Low
2444.5	2452.7	2458.0	2455.4	2458.0	2458.4	2460.0	2469.2	2467.1	2469.7	2444.5

	Dec 15	Dec 14	Dec 13	Dec 10	Dec 9	Yr ago
SEAQ bargains	28,808	29,456	31,771	40,333	40,655	22,716
Equity turnover (£m)†	-	1468.3	1439.2	1802.5	1959.2	1247.6
Equity bargains†	-	33,720	37,055	45,845	45,708	26,013
Shares traded (ml)†	-	*810.7*	*608.2*	772.0	825.4	626.3

† Excluding intra-market business and overseas turnover.

LONDON SHARE SERVICE

AMERICANS

	Notes	Price £	+ or -	1993 high	low	Mkt Cap£m	Yld Gr's
Abbott Labs		18¼	+⅛	28¼	15⅝	16,118	2.4
Allegheny & W	♥	455p	+7	722p	390p	280.7	4.4
Amdahl		387p	-40	591p	294p	443.3	0.9
Amer Cyanamid		34⅝	-⅛	39	31⅛	3,088	3.4
Amer Express		21	+⅛	25¼	14⅞	10,108	3.2
Amer T & T		38⅝xd	+⅜	43¼	33¼	40,682	2.4
Ameritech		53⅞	+1⅛	59¼	40	23,280	4.7
Anheuser-Busch		33¼xd	-½	41¼	29⅝	9,166	2.9
BankAmerica		30⅞xd	+⅜	38¼	27⅛	10,776	3.1
Bankers NY		52⅞	-¼	54¼	42⅝	4,318	4.0
Bell Atlantic		41¼	+⅛	44¼	32¼	17,985	4.3
BellSouth		39¼	+⅛	42⅝	32⅝	19,388	4.7
Bethlehem Steel	♥	12⅛	-⅛	13⅛	8½	1,697	-
Bowater		1440p	-129	1682p	1189p	524.7	2.8
CPC		31⅛	-⅛	34⅝	28	4,750	2.8
California Engy		1288p	—	1479p	1088p	234.5	-
Chase Manhattan		22⅞	+⅛	24⅞	17⅞	3,463	3.6
Chrysler		37xd	-1½	39	21⅛	10,835	1.4
Citicorp		23½	+⅛	28	13⅛	8,888	-
Colgate-Palm		40⅝	+⅜	46⅝	32	6,535	2.3
Cont'l Bank		1824p	-82	1877p	1278p	1,841	2.5
Dana		37⅜xd	+⅝	39⅞	29⅞	1,716	2.9
Data General		640p	+11	981p	527p	178.8	-
Decora Inds	♥	79½p	—	148p	79½p	-	-
Dun & Brad		42⅞	+⅝	48⅞	37⅛	7,690	3.9
Eaton		33⅛	-1¼	37⅛	25⅞	2,322	2.4
Echlin		21⅞	-⅜	22⅞	15⅞	1,249	2.2
FPL		25⅛	+⅛	27⅛	23⅛	4,865	6.4
Ford Motor		42⅞	-½	43⅛	28⅞	20,970	2.5
Gen Elect		68⅞	+1⅛	68⅞	53⅞	58,882	2.5
General Host	♥	459p	+1	723p	452p	-	5.0
Gillette		38⅞xd	-1	43⅛	31⅞	8,882	1.4
Hasbro		20⅞	—	20⅞	20⅞	1,819	0.8
Honeywell		22⅞xd	—	29½	20⅞	4,678	2.8
Houston Inds		31	+¼	33⅛	28¼	4,014	6.4
Ingersoll-Rand		24½xd	—	26⅞	18⅝	2,578	1.9
Lockheed		47¼	+⅛	47⅞	35⅛	2,930	3.0
Lowe's		3028p	+55	3718p	1573p	2,847	0.5
Mabry Technology		312p	-6	432p	127p	-	-
Merrill Lynch		31	-⅛	33⅞	18½	9,973	1.7
Morgan (JP)		47⅛xd	-⅞	62⅛	38⅛	9,077	5.4
Morris (Philip)	‡	36⅞xd	-¼	62⅞	38	32,315	4.7
NYNEX	h	28¼	-⅛	32⅛	28⅞	11,859	5.6
Pall		12⅛	-⅜	15	10⅞	1,421	1.7
Pennzoil		38⅞xd	-½	47⅛	31⅞	1,889	5.5
Quaker Oats		49⅞xd	+⅛	58⅞	39⅞	3,573	2.8
Questar		159p	+18	887p	49½p	15.1	-
Rockwell		24⅞xd	+⅛	24⅞	18⅞	5,488	2.7
Rep NY		31⅛xd	-⅛	37⅞	29⅛	1,828	2.3
Sears, Roebuck		37⅛xd	+⅜	38⅞	18⅞	9,878	2.9
Sthwestern Bell	h	29⅛	+⅛	30½	23⅛	17,427	3.5
Sun Co		20⅛	-⅛	27⅞	14⅛	2,138	6.0
Tenneco		33⅛xd	+⅛	38⅛	25½	5,689	3.2
Texaco		42½xd	—	46⅞	37⅛	11,007	5.0
Time Warner		29½xd	-⅞	30⅞	18⅝	11,812	0.7
Unitab	♥	394p	—	589p	359p	179.4	-
US West		31½	-⅛	36	24⅛	13,058	4.5
Varity		2781p	-89	2893p	1686p	834.9	-
WMX Technologies		18⅞	+⅛	27⅛	15⅞	9,078	2.2
Whirlpool		4141p	+33	4677p	2824p	2,894	2.0
Woolworth	♥	16	—	21½	14	2,101	4.8

CANADIANS

	Notes	Price £	+ or -	1993 high	low	Mkt Cap£m	Yld Gr's
Amer Barrick		1875p	-24	2007p	890½p	5,345	0.3
Bk Montreal	h	13⅞	—	14¼	11⅛	3,480	4.1
Bk Nova Scot		1525p	+15	1536p	1111p	3,204	3.8
BC Gas	♥	849p	—	876p	723p	-	3.6
BCE		23½	+½	28⅛	20⅝	7,197	5.7
Brascan	♥	832p	-7	849p	454p	888.2	6.3
Can Imp Bk		1594p	-27	1749p	1228p	3,312	4.2
Can Pacific		1096p	-17	1182p	810p	3,486	1.5
4pc Deb		48	—	48½	38	22.4	8.6
Denison	♥	250p	-1	287p	164p	-	5.7
Echo Bay	♥	909p	-12	972p	265p	1,016	0.6
Gulf Can	♥	219p	+7	304p	147p	347.4	-
Hawker Sid	♥	12⅛	—	14⅛	10⅛	101.5	4.4
Hudson's Bay	♥	2009p	-41	2083p	1465p	608.1	2.0
Imperial Oil	♥	22¼	+¼	28½	20⅛	4,409	4.0
Inco		17¼	-1¼	18½	11⅛	1,894	1.5
Nova Corp Alberta		463p	-8	527p	410p	1,358	2.7
Rio Algom	♥	1130p	-6	1136p	830p	484.2	2.7
Royal Bk Can		1390p	-29	1492p	1125p	4,391	4.2
TVX Gold	♥	428p	-25	469p	129½p	578.0	-
Toronto-Dom		1064p	-7	1142p	753p	3,263	3.5
Trans Can Pipe	♥	1014p	+5	1119p	847p	1,778	4.2

BANKS

	Notes	Price	+ or -	1993 high	low	Mkt Cap£m	Yld Gr's	P/E
ABN Amro Fl		£24¼	-¼	£25¼	£18¼	6,696	4.2	13.2
ANZ A$		216	-1½	226½	130	2,625	4.0	♦
Abbey National	†□	465	+3	467	345	6,096	3.2	17.9
Allied Irish I£	‡†a□	278	—	290	179	1,830	3.7	14.2
Anglo Irish I£	¶□	68	—	68	32	68.1	7.5	♦
Asahi Y		873	-8	844	415	15,815	0.7	-
Banco Bil Viz Pta		£16½	-½	£17⅝	£13⅛	3,680	5.3	6.9
Banco Sant Pta		£32	-½	£36	£24⅛	3,565	4.1	12.1
Bk Ireland I£	‡o□	276	—	*296	177	1,296	4.5	20.4
Bank Leumi (UK)		350	—	350	325	27.7	6.1	-
Bank Scotland	‡†□	229	+3	230½	116½	2,688	2.5	31.1
9¼pc Pf		139¼	+½	140¼	117¼	139.8	8.5	-
9¼pc Pf		143½	+½	143½	123½	143.5	8.5	-
Barclays	‡N□	612	—	646	382	9,820	2.6	-
Dai Ichi Kan Y		1114	-23	1665	857	34,781	0.5	61.6
Deutsche DM		£334⅞	-1⅛	£348	£260½	15,848	1.8	-
Espirito Santo		£23⅛	-¼	£23⅛	£16½	247.3	3.5	5.4
Fuji Bank Y		1401	—	1601	878	46,565	0.4	-
HSBC HK	†□	838	+6	841	474	14,270	3.0	20.0
HSBC (75p Shs)	†□	831	+12	832	490	6,822	3.0	19.9
Lloyds	†□	639	+12	655	482	8,204	3.7	18.3

BUSINESS SERVICES

	Notes	Price	+ or -	1993 high	low	Mkt Cap£m	Yld Gr's	P/E
ADT $	‡L□	682	+4	675	463	808.1	-	-
Adam & Harvey	‡†	250	—	253	198	10.7	6.5	4.6
Air London	‡	61	—	92	56	5.41	7.2	10.9
African Lakes		44	—	58	37	3.10	5.7	-
AutoTed Sec	‡†N□	128	-2	178	93	149.8	6.0	22.9
BET	‡†N□	139½	+2	139½	84	1,303	2.0	5.6
BNB Res		114	—	115	41	27.6	5.4	-
BPP	‡†	230	-3	316	183	60.5	4.5	12.7
BSM	W□	189	—	178	160	47.1	4.3	14.8
Barbour Index		240	—	285	195	39.8	4.2	16.4
Black & Edg	‡N□	1¼	—	1½	0½	6.08	-	-
Boustead	†□	23	—	28	15	20.0	3.6	-
Bridgend	‡†□	23	—	27	12	6.76	‡	-
Brit Data Mangt	□	218	-6	289	184	52.5	2.7	15.7
Brit Fittings	†	80	—	86	45	19.1	2.7	-
Brooks Service	Z	54	-2	73	48	6.50	1.2	-
Business Post	†L□	107	—	184	106	53.5	3.7	14.9
CRT	‡†N□	97	—	109	86	51.5	3.8	17.1
Capita	‡†N□	191	—	198	139½	90.5	1.5	29.8
Caskel	†N□	40½xd	+½	45½	31	32.4	2.8	15.6
Chiltern Capital A$		22½	—	55	18½	20.8	-	-
Christie Group	N	70	—	70	28	38.4	-	-
Chubb Security	†W□	353xd	+4	384	228	986.6	1.9	21.9
Corp Servs	‡Z□	38	—	38	6½	14.3	-	-
Coutts Consulting		81	—	91	20	18.3	-	-
Dart	‡	132xd	-2	142	50	21.1	3.0	18.7
Davis Service	N□	217	—	258	198	221.6	4.6	18.3
EW Fact	‡†	124	—	124	85	9.33	4.5	14.2
Gardiner	†□	28	—	32	11	27.9	2.0	18.0
Hays	‡N□	259	—	277	215	1,045	2.6	22.6
Hogg Robinson	†N□	235	—	248	174	163.3	3.6	17.2
Holmes Protect $		38	—	70	34	77.2	-	2.4
Hutch Whmp HK$	♥	312	-5	323	127	11,262	1.5	28.1
ISS B DKr		£21¼	—	£21¼	£9¼	584.9	0.9	15.0
Inchcape	‡†N□	644	+12	637	475	2,850	3.3	17.7
Intl Food Machinery	Z□	29	—	84	29	4.22	6.0	-
Johnson Cleaners		686	—	676	659	171.0	3.7	18.9
Lep	L□	7	—	12	2½	64.6	-	-
MITIE		276	—	288	173	31.1	1.6	21.4
Manpower $		1076	-21	1187	893	802.1	-	-
OIS Intl	Z□	77	—	80	52	23.1	1.1	-
Page (M)	□	59	—	62	40½	35.3	3.8	25.1
Penna	‡t	115	—	279	115	8.44	8.7	4.3
Prime People	□	3¼	—	4½	2	1.63	-	-
Prosdioct	†N□	63	—	142	57	39.4	29.8	3.5
RCO	†	370	—	423	337	39.6	4.8	12.7
REA	‡	96	—	118	86	8.15	2.6	-
Reed Exec		95	—	108	43	48.8	-	-
Reliance Sec	Z	105	-1	158	105	23.8	5.4	22.8
Rentokil	†□	239	+4	236	178	2,136	1.4	27.3
Rollo & Nolan	†N	290xd	—	298	220	18.4	3.2	18.4
Salvesen (C)	†N□	329xd	—	388	319	939.6	3.0	21.6
Scott Pickford	Z	35	—	39	26	3.02	2.9	11.2
Select Appts	‡Z□	7½	—	10	5	18.1	-	-
Serco	†	1270	+10	1278	695	147.3	1.3	35.1
Sherwood Comp	‡Z□	184	—	352	83	6.34	8.4	3.0
Sketchley	N□	99	—	130	90	57.4	3.8	22.8
Time Prods	‡†□	234	+2	239	160	124.0	4.1	20.2
Warner Howard	†	325	—	355	310	77.0	2.8	17.0
Welpac	□	28	—	45	27	12.5	-	-
Wills Group	N□	28½	—	*28	14	35.7	2.0	17.6

CHEMICALS

	Notes	Price	+ or -	1993 high	low	Mkt Cap£m	Yld Gr's	P/E
Akzo Fl		£93	-¾	£76¼	£47⅝	2,981	3.7	12.2
Allied Colloids	†N□	229	-1	249	210	601.8	2.4	21.0
Anglo Utd	N□	2	—	7	1⅛	18.4	-	-
BASF DM		£166½	-1⅛	£173¼	£93¼	6,198	6.1	-
BOC	‡N□	693	+3	770	590	3,013	4.6	14.9
BTP	‡†N□	380xd	—	*391	199	402.6	4.0	24.1
BTR Nylex A$	†	133	-2	150	108½	3,522	2.4	20.7
Bayer DM		£136½	-½	£140⅞	£101¼	8,949	4.0	-
Brent	N□	118	—	155	93	79.8	7.8	10.8
British Vita	†□	240	—	266	215	516.7	3.8	14.8
Caird	N□	5¼	+¼	29	5	3.29	22.2	16.0
7p Cv Pf '08		23	-1	78	19	7.11	-	-
Cambridge Iso $	Z	28	—	34	25	3.27	-	-
Canning (W)	‡□	145	—	180	126	41.0	6.3	16.5
Chemex	‡□	4¼	—	10	4¼	1.67	-	-
Courtaulds	†N□	497	-7	608	421	1,877	3.8	11.7
Croda	†N□	331	—	347	228	433.9	3.0	19.0
Doeflex	‡	119	-1	149	115	12.4	5.0	8.8
Ellis & Everard	N□	218	—	226	175	180.3	4.0	20.8
Engelhard $		1609	-44	2145	1296	1,542	1.8	-
European Colour	‡†□	35	—	42½	15½	18.6	3.1	16.8
Halstead (J)	N	349	—	349	259	103.7	2.3	17.2
Hartons	L□	4	—	11½	3½	2.84	-	-
7pc Pf		15	—	25	13	6.69	-	-
Hickson	‡N□	176	+1	241	150	305.5	5.7	16.3
Hoechst DM		£112⅞	-¼	£118	£88½	6,644	3.2	-
Holliday Chemical	W□	184	-3	229	164	149.2	2.8	15.1
ICI	N□	746	+6	777	608	5,386	4.6	-
Laporte	‡†□	701	+4	701	578	1,339	3.5	19.3
Leigh Ints	‡N□	183xd	—	230	181	123.3	5.1	17.0
6pc Cv Rd Pf		165	—	166	125	18.3	4.6	-
MTM	□	46	—	87½	35	12.4	-	-
Perstorp SKr		£21½	—	£22½	£18	105.1	1.7	35.8
Plysu	‡N□	195	-6	295	195	82.6	4.5	12.7
Porvair	‡†	253	—	303	173	39.0	1.9	27.1
Schering DM		£395⅞	-24⅜	£473¼	£285¼	2,712	1.3	-
Sutcliffe Speak	‡N□	49	+2	70	35	27.6	-	-
Wardle Storeys	N□	430	—	465	412	108.2	5.0	19.9
Wolstenholme	‡	548	—	580	395	40.8	3.9	18.7
Yorkshire	‡†g□	385	—	*425	330	180.5	2.5	21.2
Yule Catto	†g□	289	—	*300	233	257.4	2.9	16.1

CONGLOMERATES

	Notes	Price	+ or -	1993 high	low	Mkt Cap£m	Yld Gr's	P/E
AGA SKr		£31⅛	-⅛	£37	£28⅝	668.8	2.4	17.1
Amer Fine A FM		1118	-15	1392	1027	61.4	2.1	37.5
Bibby (J)	L□	58	—	133	55	90.7	4.3	♦
Bodycote	‡†t□	259	-2	322	230	149.7	2.5	16.8
Brierley Invs NZ$	‡	45	-2	48	31	1,135	7.5	10.9
CSR A$	†	203	—	238	171½	1,800	5.0	17.6

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LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

	Notes	Price	+ or –	1993 high	low	Yld Gr's	NAV	Dis or Pm(-)
Scot Asian Ptg	♣□	321	+1	321	136	–	339.6	5.6
Warrants		875	—	875	225	–	–	–
Scot East	♣†□	84	+½	85½	63½	2.3	96.0	12.4
Scottish Inv	♣□	236	+1½	236	163	2.8	267.5	12.1
Warrants	□	65	+1	65	38	–	–	–
Scot Mortgage	♣□	236	–1	237	178	2.1	261.1	10.2
Scot National Inc	♣□	103	—	105	88	9.7	–	–
Cap	□	40	—	41	16	–	134.3	70.2
Stepped Pf		160	—	160	150¼	4.8	–	–
Zero Div Pf		233	—	233	207	–	–	–
Warrants		3½	—	3½	2½	–	–	–
Scot Value	♣†□	110¾	+3½	110¾	71	2.0	112.7	1.7
Sec Alliance	♣N	1646	—	1653	1380	3.0	1798.7	8.5
Second Consid	□	168	—	168	99	–	181.6	7.2
Second HGSC	□	106	—	106	101	–	98.0	–6.2
Second Market	♣	419	+1	419	258	0.8	452.6	7.5
Sec Tst Scot	♣□	94	—	95	74½	4.3	95.7	1.8
Select Assets	♣□	162	—	163	109½	0.9	194.7	16.8
Eq Ind Serl		158	—	161	128	3.4	–	–
Eq Ind Serl		158	—	158	128	3.4	–	–
SHIRESCOT	♣	145	—	145	104	4.6	140.4	–3.3
Shires	♣M	324xd	—	335	231	6.3	290.1	–11.8
Slam Select	♣	237	+5	237	97	0.5	290.1	18.5
Smaller Cos	□	136	+1	138	78	2.4	135.2	0.6
Warrants		55	—	55	14	–	–	–
Sphere Inc	□	39	—	39	14	9.9	48.8	21.1
Zero Div Pf		94¾	—	94½	80¾	–	–	–
Units		945	—	945	785	–	–	–
Sumit		119	–1	130	38	1.5	128.8	7.5
TR City of Lon	N□	161½	+½	162½	126	3.7	153.0	–5.6
TR Euro Growth	♣N□	140	—	140	76	1.5	141.0	1.1
Ptg Sub		81	—	81	27	2.1	–	–
TR Far East Inc	♣N□	181½	+½	182	112	3.4	182.7	0.7
Warrants		76	—	76	22	–	–	–
TR High Inc	□	139	—	140	102	5.4	133.3	–4.3
Sub		41	—	43	25	4.7	–	–
TR Pacific	♣□	213	+2	213	110	0.2	208.9	–2.0
TR Prop	♣□	38¾	—	38¾	17	2.9	39.3	1.3
TR Smaller	♣N□	193	—	196	148	2.5	194.8	0.9
TR Technology	♣□	132	—	134	47	1.7	249.4	47.1
Units		2650	—	2650	2010	1.4	2848.2	7.0
Stepped Pf		145	—	146½	111½	6.2	–	–
Zero Pf		230	+½	230	200½	–	–	–
Temple Bar	†♣□	374	+1	374	283	4.4	367.8	–1.6
Templeton Em	□	431	+2	432	218	0.7	369.3	–16.6
Warrants		303	+1	303	100	–	–	–
Thompson Clive		182	—	183	119	2.6	205.8	11.6
Thornton Asian	♣□	122½	+2	122½	68	0.5	140.7	13.3
Warrants		32¾	–½	33½	7	–	–	–
Thornton Pan Euro	□	37	—	37	27	3.4	39.4	6.2
Warrants		0½	—	2	0½	–	–	–
Throg Dual Inc	N	78xd	—	78	59	11.8	–	–
Cap		510	—	530	363	–	763.6	33.2
Throg Prfd Inc		102	—	102	102	–	98.6	–3.0
Throg 1990 Smlr Cos	N□	118	—	121	87	2.6	125.1	5.7
Warrants	□	25	—	48	11	–	–	–
Throgmorton Tst	♣□	75	—	79	54	3.6	80.2	6.5
Tor Inc	N	418	—	420	338	12.8	–	–
Cap	N	1026	—	1025	645	0.5	1532.7	33.1
Trust of Prop		88	—	90	50	2.1	106.2	17.6
Turkey Trust	♣	315	+2	316	136	1.2	354.3	11.3
Warrants		142	+2	149	19	–	–	–
USDC	♣□	245	—	245	178	2.4	279.6	12.4
US Smaller Cos	N	139	–1	152	123	0.3	141.9	2.0
Warrants		74	—	80	62	–	–	–
Value & Inc	†□	118½	—	119	76½	4.2	102.2	–16.0

MERCHANT BANKS

	Notes	Price	+ or –	1993 high	low	Mkt Cap£m	Yld Gr's	P/E
Barings 8pc Cm 2nd Prf		119¾	—	123½	93	13.8	9.0	–
9¼pc Non-Cum Prf		131¼	+½	138	113	52.5	9.3	–
Close Bros	♣N	485	—	485	250	218.7	2.8	17.6
Hambros	♣†□	373	+1	403	243	655.4	4.8	17.2
7½pc Cv Pf		164½	+½	164	111½	231.8	6.1	–
Joseph (L)	♣†	418xd	—	428	313	21.9	5.0	–
Kleinwort Benson	♣†□	541	—	548	312	715.2	3.9	18.8
Rea Bros	♣†□	54	—	54	39	21.2	7.3	57.4
Schroders	♣†N□	1278	+7	1326	487½	1,282	1.2	25.3
N/V	†N	1188	+15	1315	387½	394.2	1.3	23.1
Singer & Fried	♣N□	78	—	83	48	180.1	4.8	–
Warburg (SG)	♣†N□	881	–6	940	529	1,811	2.8	12.9
Wintrust	♣	315	—	325	186	26.7	3.7	28.2

METALS & METAL FORMING

	Notes	Price	+ or –	1993 high	low	Mkt Cap£m	Yld Gr's	P/E
ASW	N□	158	—	238	81	105.9	4.7	–
Apollo Metals		82	—	120	73	13.8	5.7	Φ
Ash & Lacy	♣	164	—	170	143	42.8	4.9	16.8
Billam (J)	†	289	—	312	128	4.36	2.5	13.6
Brit Steel	†N□	130	–1	135½	54	2,660	1.4	–
CI	♣□	15	—	28	12	13.0	4.8	14.4
Coatings	†	222xd	—	225	158	48.8	2.8	15.7
Chamberlin & Hill	†	179	—	195	113	12.4	4.8	10.6
Cohen (A)	†	403	—	406	295	7.48	1.1	–
Cook (Wm)	†	255	—	268	120	55.8	2.9	15.4
Cooper (F)	□	80	—	84	43	28.4	3.4	Φ
Ferraris		78xd	+1	*78	32	7.72	3.2	Φ
Firth (GM)	□	14½	+½	18½	8	4.89	–	–
Garton	†	91	–1	101	78	3.47	5.7	–
Glynwed Intl	□	348	+7	348	245	717.9	4.2	32.8
Goodwin		33	—	38	28	2.38	2.5	Φ
Johnson & Firth	□	38½xd	—	64	35½	31.2	4.8	Φ
Johnson Matthey	♣†N□	584xd	+2	637	425	958.1	2.8	19.7
Kobe Steel Y		158	+3	225	147	4,480	2.4	Φ
Lionsel	♣†	85	—	128	78	11.4	5.0	14.7
Manganese Bze	♣	130	–2	132	71	21.4	2.4	Φ
Metsec	♣	98	+2	98	70	15.1	–	–
Morris Ashby	♣†	177	—	184	134	20.9	4.1	13.9
Radiant Metal		85	—	95	73	1.16	–	–
Richards Grp	‡	70	+1	76	58	5.85	6.7	–
Sinometal		271	—	271	87	195.0	1.7	40.9
Sycamore	□	1½	+¼	*7	1	1.95	–	–
Thyssen DM		2004	–33	2684	1279	627.3	–	–
Tinsley (Eliza)	♣N	97	—	109	70	7.07	7.0	14.9
Triplex Lloyd	N□	132	+1	*190	120	85.1	6.8	15.6
Utd Industries	♣N	9½	—	24½	9	3.72	–	–

MISCELLANEOUS

	Notes	Price	+ or –	1993 high	low	Mkt Cap£m	Yld Gr's	P/E
Abbeycrest		83	—	83	43	17.2	4.8	22.5
Airsprung	‡†	278xd	—	281	249	65.9	2.1	17.8
Alumasc	N	228	—	292½	207½	84.5	2.8	16.4
Amberley	♣□	51	—	58	45	18.7	2.5	–
Appld H'graph	♣	73	—	128	61	15.2	–	–
Ashley	‡□	11	—	28	9¼	15.5	2.1	–
8¾p Net Cv Pf		90	—	101	73	12.8	11.5	–
Aspen Comms	♣	131	—	212	118	17.8	4.7	11.9
Attwoods	N□	124	–1	143	101	388.5	5.0	–
BAT Inds	†♣N□	527	+12	541	407	16,221	4.5	15.8
12¼pc Ln 103/08		£134¾	–½	£134¾	£118⅞	654.2	9.1	–
Bario	♣†	78	+2	80	42	137.9	1.5	30.9

MINES - Cont.

	Notes	Price	+ or –	1993 high	low	Mkt Cap£m	Yld Gr's
Ennex Intl IE	♣□	10	+½	10	3¾	8.40	–
Europa Mnls	N□	35	—	42	15	16.9	–
Glencar Expl IE	‡‡	14	—	14	6	2.59	–
Greenwich Res	♣□	14½	–½	22¼	5	11.9	–
Hemlo Gold C$		£7⅞	–⅛	£8⅞	£3½	689.5	1.4
Ivernia West IE	‡‡□	37	–1	57	31	18.8	–
Kells Mnls IE	‡‡□	19	–½	21	6	0.48	–
Kenmare	♣□	8½	—	13½	6	8.51	–
Milagro Mnls		14	–2	18	14	0.89	–
Navan Res IE	♣	158	+20	160	25	31.1	–
5pc Ln Notes		129	—	130½	25	23.2	–
Oryx Gold		44⅞	—	78½	27	–	–
‡‡Ovoca Res IE		22	–3	29½	3½	1.53	–
RTZ	♣N□	757	–2	769	607	8,054	3.2

GUIDE TO LONDON SHARE SERVICE

Company classifications are based on those used for the FT-Actuaries Indices and FT-Actuaries World Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current pre-closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- □ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ).
- * Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- Φ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ♣ Free annual/interim report available, see details below.
- ☆ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Not officially UK listed; dealings permitted under Rule 535(2)
- § Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue.
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend yield; p/e based on earnings updated by latest interim statement.
- ♠ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
c Cents.
f Flat yield.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
n Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings
v Not subject to ACT.
z Dividend yield includes a special payment
F Yield based on prospectus or other official estimates for 1994-95.
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimates for 1993.
K Yield based on prospectus or other official estimates for 1992-93
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1993-94.
N Figures based on IIMR 'Headline Earnings'
P Figures based on prospectus or other official estimates for 1994.
R Forecast annualised yield, p/e based on prospectus or other official estimates.
T Figures assumed.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
xi ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1235 a year for each security shown, subject to the Editor's discretion

FT Free Annual Reports Service

You can obtain the current annual/interim report of any company annotated with ♣ . Ring 081 770 0770 (open 24 hours including weekends) or fax 081 770 3822, quoting the code FT8693. [If calling from outside UK, dial +44 81 770 0770 or fax +44 81 770 3822] Reports will be sent the next working day, subject to availability. If faxing please remember to state the weekly changing FT code above and also your post code.

FT Cityline

Up-to-the-second share prices are available by telephone from the FT Cityline service. See Monday's share price pages for details.

An international service is available for callers outside the UK, annual subscription £250 stg.

Call 071-873 4378 (+44 71 873 4378, International) for more information on FT Cityline.

FT MANAGED FUNDS SERVICE

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AUTHORISED UNIT TRUSTS

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (✠) - 0001 to 1100 hours; (♦) - 1101 to 1400 hours; (▲) - 1401 to 1700 hours; (#) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation,
Centre Point,
103 New Oxford Street, London WC1A 1QH
Tel: 071-379-0444.

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FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

Sun Life Trust Mngmt Ltd (1200)F
101, Cannon St, London EC4N 5AD

Swiss Life Unit Tst Man Co Ltd (1200)F

TSB Unit Trusts (1200)F
Charlton Pl, Andover, Hants. SP10 1RE 0264 346794

T.U. Fund Managers Limited (1200)H
NLA Tower, Addiscombe Road, Croydon

Templeton Unit Trust Managers Ltd (1200)F

Thornton Unit Managers Ltd (1200)F
33 Queen Street, London EC4R 1AX 071-248 3000

Waverley Unit Tst Mngmt Ltd (1000)F
13 Charlotte Sq, Edinburgh 031-225 1551

Whittingdale Unit Tst Mngmt Ltd (0800)F
2 Honey Lane, London EC2V 8BT

Woolwich Unit Trust Managers Ltd (1200)H

OTHER UK UNIT TRUSTS

Baillie Gifford & Co Ltd

Baring Investment Mngmt Ltd
155 Bishopsgate, London EC2M 3XY

CAF – Charity Money Management
0732 770114

James Capel Fund Managers Ltd

Cent. Bd. of Fin. of Church of England‡
2 Fore Street, London EC2Y 5AQ 071-588 1815

COIF–Charities Official Inv Fd‡
2 Fore Street, London EC2Y 5AQ 071-588 1815

Charity Fixed Int Fd/Charity Equity Fd

Edinburgh Fund Mngrs PLC

Ely Place Investments Ltd
071-242 0242

Fidelity Investment Services Ltd

Fledgeling Charity Portfolio
071-638 5858

Robert Fleming Asset Mngmt Ltd

Foreign & Colonial Unit Management Ltd

Funds in Court*

Govett (John) Unit Mngmt Ltd

Henderson Unit Trust Management Ltd

INVESCO Asset Management Ltd

Jupiter Merlin Unit Trust Managers Ltd

Lazard Brothers & Co. Ltd

Lazard Investors Ltd ‡

Local Authorities Mutual Invest. Tst.*
2 Fore Street, London EC2Y 5AQ 071-588 1815

M & G Securities Ltd

Morgan Grenfell Investment Funds Ltd

Morgan Stanley International

Murray Johnstone UT Mngmt

NatWest Investment Management Ltd

PDFM Unit Managers Ltd

Rothschild Asset Management

J. Rothschild Fund Managers Ltd.

Stewart Ivory & Co Ltd

Thornton Unit Managers Ltd

INSURANCES

AXA Equity & Law Life Assce
Amersham Road, High Wycombe 0494-463433

Abbey Life Assurance Co Ltd
80 Holdenhurst Road, Bournemouth 0202 292373

Abbey National Life Plc
041 305 8000

AEGON Life Assurance Co (UK) Ltd

Albany Life Assurance Co Ltd
3 Darkes Lane, Potters Bar EN6 1AJ

Allied Dunbar Assurance Plc
0793 514514

American Life Insurance Co UK
081-680 6000

Barclays Life Assur. Co Ltd
252 Romford Road, London E7 081-534 5544

Barclays Life Assur. Co Ltd - Contd.

Black Horse Life Assurance
0634 834000

Britannia Life Assurance
50 Bothwell Street, Glasgow G2 6HR 041-248 2000

Britannia Life Ltd
50 Bothwell Street, Glasgow G2 6HR 041-248 2000

Canada Life Group
High St, Potters Bar, Herts, EN6 5BA 0707 651122

For Cannon Ass see Lincoln National

Century Life Plc
5 Old Bailey, London EC4M 7BA 071-332 5000

City of Westminster Assurance (z)

Clerical Medical/Fidelity Investments
Narrow Plain, Bristol BS2 0JH 0272 290566

Clerical Medical Investment Group
Narrow Plain, Bristol BS2 0JH 0272-290566

Colonial Mutual Group
0634 890000

Combined Life Assurance Co
15 Wheatfield Way, Kingston upon Thames, Surrey KT1 2PA 081-546 7733

Commercial Union Group
St Helen's, 1 Undershaft, London EC3 071-283 7500

Consolidated Life Assurance Co Ltd
Paradise Rd, Richmond, Surrey 081-940 8343

Crown Financial Management Ltd
Crown Hse, Woking GU21 1XW 0483 715033

Eagle Star Life Assurance Co Ltd
Bath Road, Cheltenham GL53 7LQ 0242 221 311

Eagle Star Insur./Midland Assur.
60 St. Mary Axe, London EC3 071-929 1111

Equitable Life Assurance Society
Walton St, Aylesbury Bucks HP21 7QW 0296 393100

Eurolife Assurance Company Ltd
071-454 0105

Family Assurance Friendly Society Ltd
17 West St, Brighton BN1 2RL 0273 724570

Friends Provident
Castle Street, Salisbury, Wilts SP1 3SH 0722 413366

GT Unit Managers Ltd
125 London Wall, London EC2Y 5AS 071-710 4567

General Accident
2 Rougier Street, York YO1 1HR 0904 628982

General Portfolio Life Insce Plc
General Portfolio House, Harlow, Essex 0279 626262

General Portfolio Life Insce Plc - Contd.

Assicurazioni GENERALI SpA
117 Fenchurch St, London EC3M 5DY 071-488 0733

Growth & Sec. Life Assce. Soc. Ltd
0444 413307

Guardian Royal Exchange
Royal Exchange, EC3 071-283 7101

Hearts of Oak Insurance Group
Hearts of Oak House, 9 Princess Rd West, Leicester LE1 6TH 0533 549010

Henderson Administration(z)
071-638 5757

Hill Samuel Life Assur. Ltd
NLA Tower, Addiscombe Rd, Croydon 081-686 4355

Homeowners Friendly Society
PO Box 94, Springfield Ave, Harrogate. 0423 567355

Ideal Insurance Co Ltd
Moor Green Lane, Birmingham B13 8NG 021-449 4101

Irish Life Assurance Co Plc
Victoria St, St. Albans, Herts, AL1 3TF 0727 848181

Lancashire & Yorkshire Assce Society

Laurentian Life plc
Barnwood, Gloucester GL4 7RZ 0452 371371

Legal & General
0273 824000

Liberty Life Assurance Co Ltd
Station Rd, New Barnet 081-440 8210

Life Association of Scotland
113 Dundas St, Edinburgh EH3 5EB 031-550 5000

Lifetime Assurance Co Ltd
081-861 5899

Lincoln National
1 Olympic Way, Wembley HA9 0NB 081-902 8876

London Life
100 Temple St, Bristol BS1 6EA 0272-279179

London & Manchester Assurance (z)
0392 282458

M & G Life and M & G Pensions
Victoria Road, Chelmsford, CM1 1FB

MGM Assurance (z)
0903 204631

Manchester Unity Assurance
061-832 9361

Manulife Group
St George's Way, Stevenage

Merchant Investors Assurance Co Ltd

Mercury Life Assurance Co Ltd
071-280 2800

Midland Life Limited
0703 723723

NM Life Assurance Ltd
Enterprise House, Portsmouth 0705 827733

N & P Life Assurance Ltd

NPI
National Provident Hse, Tunbridge Wells

National Mutual Life
0462 422422

National Westminster Life Assce Ltd
0272 404201

Norwich Union Life Insurance Soc.
Surrey Street, Norwich NR1 3NS 0603 622200

Norwich Union Pensions Management Ltd

Pearl Assurance (Unit Funds) Ltd
Lynch Wood, Peterborough PE2 6FY 0733 470470

Pearl Assurance - Contd.

Premium Life Assurance Co Ltd
0444 458721

Professional Life Assurance Co Ltd (z)

For Pacific Life & Pens see Scottish Provident

Prosperity Life Assurance Ltd
0622 690565

Providence Capitol Life Assc. Co Ltd

Provident Life Assoc Ltd
0256 470707

Provident Mutual Life Assc. Assn.
0438 732000

Prudential Assurance Co
Holborn Bars, London EC1N 2NH 071-405 9222

Prudential Corporate Pension Funds
55 King's Road, Reading RG1 3AH 0734 494852

Prudential Individual Life Funds
0734 494852

Prudential Individual Pension Funds
0734 494852

Reliance Mutual
Reliance House, Tunbridge Wells, Kent

J Rothschild Assurance PLC

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Royal Heritage Life Assurance Ltd

Peterborough Business Pk, PE2 6GG 0733 390000

	Bid Price	Offer Price	+ or -	Yield Gross
Multi Gwth	734.2		—	–
Multi Gwth A Cap	460.8	484.9	—	–
Multi Gwth A Accum	734.2	772.8	[illegible]	–
Op Pros	454.6	477.9	[illegible]	–
Op Equity	854.2	899.2	[illegible]	–
Op High Yld	610.6	642.8	[illegible]	–
Op Man	757.4	797.3	[illegible]	–
Op Dep	381.0	401.1	[illegible]	–
Op Inc Dist	229.1	241.2	[illegible]	6.335
Op Eq Man	457.3	481.4	[illegible]	–
Op Emerging Co's	433.8	456.6	[illegible]	–
Op Money	106.2	111.8	—	–
European	128.6	135.4	—	–

Scottish Provident Group - Contd.

Scottish Provident Assurance Ltd Funds
(Formerly Prolific Life & Pensions Ltd)

Swiss Life (UK) PLC

101 London Rd, Sevenoaks 0732 450161

Century Life International Ltd - Contd.

Johnson Fry Asset Managers Plc

20 Regent Street, London, SW1Y 4PZ 071-839 5688

	Bid Price	Offer Price	+ or -	Yield Gross
JF M&G Managed (z)	233.2	245.1	-0.4	–
JF Target Pension (z)	124.2	130.8	+0.1	–
JF Protected Gwth Bond.	273.2	–	+0.5	–
JF Recovery	118.7	124.9	+0.3	–
JF Cobden	149.8	157.7	—	–
JP M&G WPF	199.9	210.9	—	–

Knight Williams & Company Ltd

161 New Bond Street, London W1Y 0LA 071-409 1130

	Bid Price	Offer Price	+ or -	Yield Gross
KW Global Inc & Gth	169.7	178.6	—	–
KW Principal Portfolio	147.4	155.1	-0.2	–
KW Cautious Portfolio	122.3	128.7	—	–
KW British Portfolio	137.1	144.3	+0.2	–
KW Cautious British	134.1	141.1	+0.1	–
KW High Risk Portfolio	191.8	201.8	+0.5	–
KW Income Distribution	109.3	115.0	+0.2	–
KW International	142.5	150.0	—	–
KW Investment Trust	153.4	161.4	+0.8	–
KW Albany	152.6	160.6	-0.1	–
KW Albany (inf)	122.6	129.0	-0.1	–
KW Henderson	129.8	136.7	-0.1	–
KW M&G	169.3	178.9	-0.1	–
KW M&G (cap)	91.80	96.50	-0.1	–
KW Scottish Provident (inc)	153.0	161.1	-0.4	–
KW Scottish Provident (inv)	144.3	151.9	-0.3	–
KW Scottish Provident (cap)	117.2	123.4	-0.2	–
KW Global Inc & Gth Cap	150.6	158.5	—	–
KW Offshore Portfolio	125.9		—	–
KW Homes Portfolio	102.7	108.1	—	–
KW Life Int Global Inc & Gth	51.426	1.426	—	–
KW Life Int Secure Inc & Gth	21.265	1.265	—	–

Macartney & Dowie Invest Mngt Plc

40 Castle Green Rd, Brentwood, Essex 0277 374038

Marsh Financial Management PLC

4-14 Mount Sion, Tunbridge Wells 0892 516916

Roxborough Financial Management Ltd

Charles Stanley & Co Ltd

35 Luke Street, London EC2A 4AR 071-739 8200

United Financial Corporation Ltd

J. D. Ward Financial Services Ltd

Lloyds Intl Money Market Fund Ltd

Sarnia Hse, Le Truchot, St Peter Port 0481 724983

Lloyds Bank Fund Managers (Guernsey) Ltd

M & G (Guernsey) Ltd

Prudential Fund Managers (Guernsey) Ltd

Rothschild Asset Management (CI) Ltd

PO Box 242, St Peter Port, Guernsey 0481 713713

Federated International Funds Plc

GAM Fund Management Ltd (a)

Ulster Bank Investment Services

Yellow Sea Investment Company PLC

ISLE OF MAN (SIB RECOGNISED)

ISLE OF MAN (REGULATED)(**)

JERSEY (SIB RECOGNISED)

IRELAND (REGULATED)(**)

OFFSHORE INSURANCES

MANAGEMENT SERVICES

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

GUERNSEY (REGULATED)(**)

CANADA (SIB RECOGNISED)

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IRELAND (SIB RECOGNISED)

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JERSEY (REGULATED)(**)

Barclays Intl Funds

Asian Selection Funds: China, Hong Kong, Indonesia, Japan, Korea, Malaysia, Philippines, Singapore, Thailand, South East Asia, US Dollar Liquidity [illegible]

Cater Allen Investment Management (CI)

	Bid Price	Offer Price	+ or -	Yield Gross
CA Gilt Income	23.13	8.41	+0.02	16.60
CA Equity Gwth	24.85	0.41	—	2.03

Citibank (CI) Ltd "Citifunds"

	Bid Price	Offer Price	+ or -	Yield Gross
Short term Investment Funds				
Irish £ Dec 10	141.1784		+0.227	–
Special Assets (B) Dec 1	FFr11691.3190		+94.21	

Citibank N.A.

	Bid Price	Offer Price	+ or -	Yield Gross
Libra 2000 Oct 31	$134.37		+7.89	–
Libra 2000 Intl Oct 31	$134.37		+7.92	–

Coutts & Co (Jersey) Fund Managers Ltd

EBC Fund Managers (Jersey) Ltd

*Offer price includes 3% prelim. charge

*Offer Price includes 5½% Initial Charge

Fleming Group

Foreign & Colonial Mngmt (Jersey) Ltd

Lombard Odier (Jersey) Ltd

Management International (Jersey) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Anchor Gilt Edge (z)	£11.60	11.58	—	8.23

Minerals, Oils Res. Shrs. Fd. Inc.

	Bid Price	Offer Price	+ or -	Yield Gross
Mores Dec 9	£16.93	17.28	—	2.31

Northgate Unit Tst. Mngr. (Jersey) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Pacific Fund Dec 9	£53.95	54.60	—	

Perpetual UT Mngrs (Jersey) Ltd

The Portugal Fund Limited

Lloyds Bank International (Jersey) Limited

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Dec 3	$9.59		—	

Royal Bank of Canada Intl Fd Mgt Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Sterling Fxd Int Fd	106.60	107.79	+0.8	8.43
International Bond Fd	£1.200	1.212		4.92

†Prices on December 15 Next dealing December 22

Royal Bk of Scotland Fd Mngrs (Jersey) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Ivory Growth Fund	£18.85	19.86	—	1.57
Lloyds Defensive Ptflo	£12.74	13.49	—	

For Royal Trust see Royal Bank of Canada

Schroder Mngt Services (Jersey) Ltd

Schroder Money Funds Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Sterling	£36.9279		+0.0351	4.31
US $	$40.6328		+0.0173	1.85
D-Mark	DM59.9739		+0.0081	5.24
Swiss franc	SFr60.4831		+0.0052	3.10
Yen	Y3257.93		+1.25	1.27

Scrimgeour Kemp-Gee Mngmt., Jersey

	Bid Price	Offer Price	+ or -	Yield Gross
SKG Capital Fund	£5.686	5.917	-0.028	
SKG Income Fund	£0.847	0.902	-0.003	5.04

TSB Trust Funds (CI)

	Bid Price	Offer Price	+ or -	Yield Gross
TSB Jsy Equity Fd	53.1	55.8	+0.50	1.72
TSB B'ksy Equity Fd	53.1	55.8	+0.50	1.72
TSB Intl Pension	554.4	583.7	+0.1	–
TSB Gilt Fd (Jsy) Ltd	116.28	120.11	-0.11	6.66

Tyndall International (Jersey) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Gilt Fd	133.6	140.3	—	7.13
(Accum Shares)	859.0	902.0	—	7.13
Managed Currency Stg	127	136	—	
International	480	505	—	0.24

Warburg Asset Management Jersey Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Energy Int	$118.47	125.32	-0.92	
Mercury Bond Dec 8	$30.67	32.29	+0.17	6.54
Merc Money Mkt Stg		248.65	—	
Merc Int Doll & Convert	$1.44	1.53	—	
Mercury International Inv Tst Ltd				
Const Europe Fd	£93.98	98.92	-1.86	
Nth America Fd	£80.17	84.43	-0.89	
Japan Fd	£50.13	53.08	+0.07	
Pacific Fd	£97.30	104.25	-0.49	
Reserve Fd	£50.85	53.22	+0.07	

Worldinvest (Managers) Jersey Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Worldinvest Inc Fd †	$282.36	283.78	—	5.45
Excalibur Global Eqty $	$74.45	74.83	—	1.92
Excalibur Stg Global Fixed Inc	£12.96	13.06	—	

LUXEMBOURG (SIB RECOGNISED)

Barclays Inv Funds - Contd.

Bond Fund

	Init Charge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
International Bond $. 3½		$–	99.19	100.71	-0.80	8.2

CMI Asset Management (Luxembourg) SA

203 route d'Arlon, L-1150 Lux 010 352 458625

CMI Managed Portfolio Investment Company (u)

	Init Charge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
Safeguard Portfolio F.		$–	1.309	1.329	—	–
Growth Portfolio F.		$–	1.214	1.293	-0.005	–
Enterprise Portfolio F.		$–	1.189	1.266	-0.008	–

Commercial Union Luxembourg SA (u)

41 Ave de la Gare L-1611 010 352 402820261

Eagle Star – Global Assets Fund (u)

5 Rue Aldringen L-1118 Luxembourg

EquiFund–Wright National Eqty Fd (u) (x)

14 rue Aldringen, L-1118 Lux 010 352 47982584

Fidelity Funds (u)

Kansallis Hse, Place de L'Etoile, L-1021 Lux BP 2174

Prices as at December 14

Fleming Group (u)

45 Rue Des Scillas L-2529 Howald Luxembourg

010 352 405040 or 071-382 8015

*Redemptions weekly only

Foreign & Colonial Emerging Markets Ltd (u)

Exchange Hse, Primrose St, Ldn, EC2A 2NY 071-628 1234

Latin American Securities

	Init Charge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
Argentinian Inv Co		$–	24.40		+0.62	–
Brazilian Inv Co SICAV		$–	24.62		+0.72	
Latin Am Income Co SICAV		$–	10.41			
Latin Amer Inv Co SICAV		$–	10.36		-0.11	
Mexican Inv Co SICAV		$–	42.74		-0.69	

Frankinvest I (u)

672 rue de Neudorf, Luxembourg 010 352 4388350

	Init Charge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
European Equities		Ecu–	108.120		—	–
Global Bonds		DM–	145.650		—	–

Kleinwort Benson Select Fund (u)

14 Rue Aldringen L-1118 Luxembourg 010 352 47991

	Init Charge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
British		Ecu–	3.18	3.35	—	–
Emerging Asia		Ecu–	3.43	3.60	—	–
European		Ecu–	2.33	2.47	—	–
Japanese		Ecu–	2.01	2.14	—	–
Kinoville World $		FM–	18.32	19.07	—	–
North American		Ecu–	2.58	2.73	—	–
Dollar Bond $		$–	2.14	2.23	—	–
International Bond $		Ecu–	2.68	2.79	—	–
European Bond $		Ecu–	3.60	3.88	—	–
Convertible Bond $		Ecu–	2.61	2.74	—	–
Yen Bond $		Y–	395.38	405.83	—	–

For Latin American Securities see Foreign & Colonial

Liberty ALL–STAR World Ptflo–Eqty Fd(u)

2 boulevard Royal, Luxembourg 010 352 45901

	Init Charge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
NAV (z)		$–	12.61		(z)	–

Lloyds Bank Luxembourg

1, Rue Schiller, Luxembourg 010 352 4022121

Lloyds International Portfolio

	Init Charge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
Canadian Dollar Bds		C$–	138.84	141.98	—	–
Swiss Franc Bonds		SFr–	126.46	129.33	—	–
Deutsche Mark Bonds		DM–	134.17	137.19	—	–
French Franc Bonds		FFr–	141.98	145.18	—	–
Sterling Bonds		£–	146.81	150.27	—	–
Yen Bonds		Y–	12804	13093	—	–
Dutch Guilder Bonds		Dfl–	133.28	136.28	—	–
US Dollar Bonds		$–	126.88	129.75	—	–
ECU Bonds		Ecu–	140.74	143.91	—	–
Multicurrency Bond		$–	117.06	119.71	—	–
Europe Equity		Ecu–	120.90	123.92	—	–
Japan Equity		Y–	8302	8519	—	–
North America Equity		$–	182.38	184.89	—	–
Pacific Equity		$–	175.81	179.77	—	–
Smaller Cos		$–	21.94	22.43	—	–
UK Equities		£–	141.71	144.90	—	–
World Equity		$–	112.78	115.32	—	–
Gold		$–	122.82	125.58	—	–
Convertible		$–	135.15	138.19	—	–
Warrant		$–	67.14	68.66	—	–

Midland Internatnl Circuit Fund SICAV(u)

Midland Bank Fund Managers (Jersey) Ltd

PO Box 26, St Helier, Jersey 0534 606000

Nomura Global Fund (u)

1 St Martin's-le-Grand, EC1A 4NP 071 236 8811

Sun Life Global Management Ltd (u)

PO Box 22, Castletown, IoM 0624 824131

Templeton Global Strategic SICAV (u)

30 Grand-Rue L-1660 Luxembourg 010 352 466667-1

S.G. Warburg Asset Mngmt Lux SA (u)

14, Rue Leon Thyes, L-2636 Lux 010 352 421211

Mercury Selected Tst-SICAV F

Mercury Offshore Stg Tst-SICAV F

Wardley Investment Services (Lux) SA (u)

7 rue du Marche – aux – Herbes L-1728 Luxembourg

Dealing: 010 352 476812220 Fax 475569

Wardley Global Selection

LUXEMBOURG (REGULATED)(**)

Asian International Umbrella Fund (u)

Growth Funds

	Bid Price	Offer Price	+ or -	Yield Gross
American Equity	$7.46		-0.09	0.00

Credit Commercial de France

	Bid Price	Offer Price	+ or -	Yield Gross
Euro Smlr Cos Class A	Ecu14.38		—	–
Euro Smlr Cos Class B	Ecu14.38		—	–
Euro Prestige Cls A (a)	Ecu8.41		—	–
Euro Prestige Cls B (a)	Ecu11.97		—	–

Credit Lyonnais Rouse (Bermuda) Ltd

CLR SELECT October 31

	Bid Price	Offer Price	+ or -	Yield Gross
Diversfd US$ Tradg	$11.04		—	–
Diversfd DM Tradg	DM24.18		—	–
Diversfd FFr Tradg	FFr60.81		—	–
Diversfd A$ Tradg	A$11.24		—	–
Diversfd US$ Gold May 99	$11.03		—	–
Diversfd A$ Gold Jan 2000	A$11.91		—	–
Financial US$ Tradg	$10.37		—	–
Financial DM Tradg	DM21.98		—	–
Currency US$ Tradg	$9.84		—	–
Currency DM Tradg	DM20.60		—	–

Credit Suisse

	Bid Price	Offer Price	+ or -	Yield Gross
CS Money Mkt Fd US$	$1772.32	1772.33	—	–
CS Money Mkt Fd DM	DM1705.54	1705.55	—	–
CS Money Mkt Fd £	£2302.57	2302.80	—	–
CS Money Mkt Fd Yen	Y144103	144104	—	–
CS Money Mkt Fd Ecu	Ecu1391.08	1391.08	—	–
CS Money Mkt Fd C$	C$1278.18	1278.21	—	–
CS Money Mkt Fd SFr	SFr5730.84	5730.85	—	–
CS Money Mkt Fd Gldr	Dfl1178.33	1178.34	—	–
CS Money Mkt Fd Lire	L1196420	1196421	—	–
CS Money Mkt Fd FFr	FFr6699.46	6699.47	—	–
CS Money Mkt Fd Ptas	Pta120734	120735	—	–
CS Money Mkt BEF	BFr55631	55632	—	–
CS Capital SFr 2000	SFr1503.33	1503.34	—	–
CS Capital DM 2000	DM1493.42	1493.43	—	–
CS Capital DM 1997	DM1178.19	1178.20	—	–
CS Prime Bond DM A	DM112.84	113.98	—	–
CS Prime Bond DM B	DM154.35	155.90	—	–
CS Short-Tm Bd $ A	$102.03	102.04	—	–
CS Short-Tm Bd $ B	$160.17	160.18	—	–
CS Short-Tm Bd DM A	DM102.78	102.79	—	–
CS Short-Tm Bd DM B	DM154.85	155.86	—	–
CS Ecu Bd A	Ecu108.33	118.43	—	–
CS Ecu Bd B	Ecu187.21	189.09	—	–
CS Gulden Bd A	Dfl104.57	105.63	—	–
CS Gulden Bd B	Dfl157.12	158.70	—	–
CS Euro Blue Chip A DM	DM236.80	273.98	—	–
CS Euro Blue Chip B DM	DM278.75	285.36	—	–
CS Europa Bond A DM	DM245.68	248.15	—	–
CS Europa Bond B DM	DM356.90	360.54	—	–
CS Gold Mines A US$	$279.34	304.94	—	–
CS Gold Mines B US$	$280.71	282.45	—	–
CS Hispano Iberia A Pta	Pta27903	29482	—	–
CS Hispano Iberia B Pta	Pta29221	29806	—	–
CS Fixed Int SFr 7pc 1/96	110.30	–	—	–
CS Fixed Int DM 8pc 1/96	113.21	–	—	–
CS Fixed Int ECU 8¾pc 1/96	114.85	–	—	–
CS Germany A DM	DM270.18	276.66	—	–
CS Germany B DM	DM280.24	285.86	—	–
CS N American A US$	$254.73	259.83	—	–
CS N American B US$	$248.05	253.02	—	–
CS UK A £Stg	£118.78	121.15	—	–
CS UK B £Stg	£121.14	123.57	—	–
CS France A FF	FFr1074.10	1095.60	—	–
CS France B FF	FFr1131.03	1153.66	—	–
CS FFr Bond A	FFr1369.87	1212.86	—	–
CS FFr Bond B	FFr1109.56	1131.18	—	–
CS Italy A	L228329	232817	—	–
CS Italy B	L234914	239613	—	–
CS Netherlands A	Dfl383.79	391.46	—	–
CS Netherlands B	Dfl390.85	398.68	—	–
CS Japan Megatrend SFr	SFr241.92	246.77	—	–
CS Japan Megatrend Yen	Y23958	24439	—	–
CS Capital ECU 2000	Ecu1400.78	1400.77	—	–
CS Capital FF 2000	FFr1464.46	1464.46	—	–
CS Portfolio Income DM A	DM1088.42	1088.43	—	–
CS Portfolio Income DM B	DM1088.42	1088.43	—	–
CS Portfolio Income SFR A	SFr1048.10	1048.11	—	–
CS Portfolio Income SFR B	SFr1048.10	1048.11	—	–
CS Portfolio Income US$ A	$1008.82	1008.83	—	–
CS Portfolio Income US$ B	$1008.82	1008.83	—	–

Nikko Bank - Contd.

Income Alpha Fund

	Bid Price	Offer Price	+ or -	Yield Gross
Portfolio A Shs	$99.20		—	–
Portfolio B Shs	$–		—	–

**Price as at December 14

Nomura Asian Infrastructure Fd SICAV

	Bid Price	Offer Price	+ or -	Yield Gross
NAV	$22.60		-0.15	–

Nomura Rosenberg Alpha Fund Mark II

	Bid Price	Offer Price	+ or -	Yield Gross
Portfolio A NAV	$15.92		-0.07	–
Portfolio B NAV	$16.91		-0.14	–

Norit Currency Fund

	Bid Price	Offer Price	+ or -	Yield Gross
NCF USD	$815.75		—	–
NCF DEM	DM1030.38		—	–
NCF CHF	SFr918.47		—	–
NCF FRF	FFr4451.38		—	–
NCF JPY	Y82935.00		—	–
NCF BEF	BFr27018.00		—	–

Pacific Basin Growth Fund

	Bid Price	Offer Price	+ or -	Yield Gross
NAV A Shs	$12.15		-0.06	–
NAV B Shs	$16.90		-0.12	–

Rosenberg Global Mngt Co SA (u)

Rosenberg Alpha Fund Global

	Bid Price	Offer Price	+ or -	Yield Gross
Portfolio A NAV	$11.04		-0.09	–
Portfolio B NAV	$13.17		-0.12	–

Rosenberg Management SA (u)

Rosenberg Alpha Fund Yield

	Bid Price	Offer Price	+ or -	Yield Gross
Portfolio A NAV	$10.29		+0.05	–
Portfolio B NAV	$12.59		+0.01	–

Rosenberg US Japan Mngmt Co SA (u)

Rosenberg Alpha Fund US Japan

	Bid Price	Offer Price	+ or -	Yield Gross
Portfolio A NAV	$10.11		-0.08	–
Portfolio B NAV	$11.01		-0.10	–

Edmond de Rothschild Group

In house fund

	Bid Price	Offer Price	+ or -	Yield Gross
Asian Capital Holdings	$61.29		—	–
Edmond de Rothschild Group				
Other funds				
Asia Japan Emerging	$16.9950		—	–
Five Arrows Asia Pacific Fund (u)				
Japan Recovery	$12.16885		—	–
Asian Opportunities	$18.77248		—	–
Japan Small Cos	$8.52213		—	–
The French Prestige Fd Dec 3	£23.56810		—	–
The French Prestige Fd	FFr137.29		—	–
M-Fund Dollar Growth	$105.88700		—	–

SCI/TECH SA

	Bid Price	Offer Price	+ or -	Yield Gross
SCI/Tech NAV	$18.26		-0.37	–

Scudder, Stevens & Clark

Scudder Global Opportunities Funds

	Bid Price	Offer Price	+ or -	Yield Gross
Global Equity Fund				
Class A (z)	$16.91		-0.11	–
Class B (z)	$16.91		-0.11	–
US Quality Growth Fund				
Class A (z)	$15.64		-0.13	–
Class B (z)	$15.54		-0.14	–
Emerging Markets Growth Fund				
Class A (z)	$19.29		-0.08	–
Class B (z)	$19.29		-0.08	–
Global Bond Fund				
Class A (z)	$16.72		-0.04	–
Class B (z)	$16.04		-0.04	–
Emerging Markets Income Fund				
Class A (z)	$16.26		+0.02	–
Class B (z)	$16.76		+0.03	–
US Mortgage-Backed Securities Fund				
Class A (z)	$14.84		-0.04	–
Class B (z)	$15.14		-0.03	–
US Short Term Income Fund				
Class A (z)	$15.13		—	–
Class B (z)	$15.15		—	–

Target International Ltd

Unico Umbrella Fd

	Bid Price	Offer Price	+ or -	Yield Gross
Unico Umbrella Fd DM-Renten	DM102.80	105.90	—	3.00
Unico Umbrella Fd DM-12/95	DM101.50	–	—	3.00
Unico Umbrella Fd DM-12/97	DM97.87	–	—	2.00
Unico Umbrella Fd DM-12/95	DM105.71	108.40	—	1.50
Unico Umbrella Fd DM-10/98	DM93.54	95.90	—	2.00

Wardley NAPT (Luxembourg) SA

	Bid Price	Offer Price	+ or -	Yield Gross
Nikko Asia Pacific Tst NAV	$17.14		+0.02	–

"WINTERTHUR" Fund Mngmt Co (Lux) SA

	Bid Price	Offer Price	+ or -	Yield Gross
WIN Global Intl Bond	Ecu157.64		—	–
WIN Global Intl Equity	Ecu131.45		—	–
WIN Global Intl Reserve	SFr222.75		—	–

World Bond Fund–SICAV (z)

	Bid Price	Offer Price	+ or -	Yield Gross
World Bond Fund	$30.31	31.83	-0.12	0.63

Inv Ad Warburg Asset Mngt London

World Trust Fund

	Bid Price	Offer Price	+ or -	Yield Gross
Shares NAV	$13.84		—	–

Yamaichi Advanced Technology Fund

	Bid Price	Offer Price	+ or -	Yield Gross
Advanced Tech	$20.48		—	–

Yamaichi 1992 OMNI Fund SICAV (z)

	Bid Price	Offer Price	+ or -	Yield Gross
NAV	$10.71	10.77	—	–

SWITZERLAND (SIB RECOGNISED)

B.I.A. Bond Investments AG

8 Baarerstrasse CH6301 Zug, Switzerland 217180

	Init Charge	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
Barer SI, Series A		SFr–	6250	8770	—	–
Barer SI, Series B		SFr–	835	877	—	–

OTHER OFFSHORE FUNDS

ATSP Management Ltd

Philippines Long Term Equity Fund

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Nov 30	$28.72		—	–

Airtrust Fund Mngrs (Guernsey) Ltd

The New Asia Fund Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
NAV US$ (diluted) Dec 8	$12.37		—	–
NAV US$ (undiluted) Dec 8	$12.84		—	–

Adig Investment

	Bid Price	Offer Price	+ or -	Yield Gross
Adiverba	DM23.20	23.90	+0.01	–
Adirenta	DM174.92	182.72	-1.68	–
Fondak	DM74.79	78.58	-0.81	–
Fondis	DM66.05	69.35	+0.34	–

Aetna Malaysian Growth Fd (Cayman) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Dec 13	$16.3628		—	–

Alliance Capital

	Bid Price	Offer Price	+ or -	Yield Gross
International	$16.83	17.88	(z)	–
International Class B	$16.58	–	(z)	–
Quasar	$23.32	24.36	(z)	–
Quasar Class B	$22.73	–	(z)	–
Global Small Cap	$11.29	11.79	(z)	–
Global Small Cap Class B	$11.03	–	(z)	–
Canadian Fd	$5.60	5.93	(z)	–
Alliance Mexico Income Fd	$11.54			

Allied Dunbar International Fund Mngrs (1600)F

	Bid Price	Offer Price	+ or -	Yield Gross
ADI Emerging Asia	$0.7989	0.854	-0.0007	–

Alpha Fund Management Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Alpha Asia Hedge Dec 8	$165.14		—	–
Alpha Europe Oct 31	Ecu256.84		—	–
Alpha Futures Nov 30	$211.21		—	–
Alpha Global Oct 31	$920.61		—	–
Alpha Hedge Oct 31	$464.73		—	–
A Japan Spec Hedge Nov 30	$285.94		—	–
Alpha Latin Am Nov 30	$256.34		—	–
Alpha Pacific Nov 30	$404.40		—	–
Alpha Short Oct 31	$65.57		—	–
Alpha Tiedale Nov 30	$180.20		—	–
A Worthington Oct 31	$114.83		—	–
Bucephalus £ Eco Hedge Oct 31	Ecu140.73		—	–
Curran A Health Care Nov 30	$400.22		—	–
Hemisphere Neutral Nov 30	$112.88		—	–
M Appleyard Amerifin Nov 30	$198.98		—	–
Sage International Nov 30	$112.87		—	–
Rehoboth Intl Fd Ltd Nov 30	$88.49		—	–
Sallux Intl Fd Ltd Nov 30	$107.38		—	–
Globalvest Value Oct 31	$113.88		—	–

Asiainvest Consultants Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
South East Asia (z)	$18.36	19.39	-0.21	–

Asian Convertibles & Income Fd (Cayman)

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Dec 9	$14.99		—	–

BEA Associates

	Bid Price	Offer Price	+ or -	Yield Gross
Sth America NAV Dec 2	$3.38		—	–
Mexico Debt (z)	$15.40		+0.01	–
Mexico Debt Fd Inc Sh	$15.14		—	–
Argentina Debt Fd Nov 23	$15.14		—	–
BEA/Westcorp Latin Am Debt	$17.08		—	–
Brazilian Eq Inv Ltd Oct 29	$141.85		—	–

The China Fund

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Dec 14	$13.57		—	–

China Investment Company

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Nov 30	$9.80		—	–

The China Invest & Development Fd Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Dec 1	$10.31		+4.96	–

Citizens Investment Trust Mgt Co Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Korea Growth Tst NAV Dec 13	$34.58		—	–
Korea 1990 Tst NAV Dec 13	$4.44		—	–
Seoul Asia Index Tst NAV Dec 14	$11.88		—	–

Columbus Asset Management Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
New Millennium Fund Inc	$10.0907		—	–

Connaught Investments Ltd (Hong Kong)

	Bid Price	Offer Price	+ or -	Yield Gross
Connaught World Growth	$24.84	26.39	—	–
Connaught Indonesian Gth	$3.36	3.54	—	–
Connaught Pacific Warr	$18.38	19.31	—	–
Connaught Bermuda Fd	$16.75	17.60	—	–
Connaught Malaysian	$22.75	23.90	—	–
Connaught HK Special Sits	$15.83	16.63	—	–
Connaught Venture Ptflo	$13.05	13.72	—	–
Connaught Pacific Enf	$25.48	26.77	—	–
Connaught Thailand Fd	$23.59	24.78	—	–

Craig Drill Capital Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Jul 31	$126.90		—	–

Credit Lyonnais Intl Asset Mgmt (HK) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Asian Smlr Cos Dec 10	$14.07	14.79	—	–
Asian Spec Sits	$33.45	35.14	—	–
Indonesian Growth Dec 16	$14.30	15.03	—	–
Pacific Gth Dec 16	$29.78	30.74	—	–
Asia-Pacific Growth	$3.10	3.27	—	–
Singapore Growth	$2.70	2.84	+0.02	–
Fonds Portfolio Dec 2	$17.49	18.38	—	–
Pakistan Gth Dec 13	$12.49	13.10	—	–
Pakistan Spec Sits Dec 13	$–	10.87	—	–
China Gth Dec 1	$12.90	13.56	—	–
Regional China	$1.076	1.13	-0.006	–

Credit Lyonnais Rouse (Bermuda) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Synthetrend Ltd	$22.247		—	–

Credit Suisse

	Bid Price	Offer Price	+ or -	Yield Gross
CS Gold Valor	$149.35	150.85	—	–
CS Tiger	$1281.78	1319.87	—	–
CS Eurareal	DM107.80	113.20	—	–

Cregem International Bank

	Bid Price	Offer Price	+ or -	Yield Gross
Cregem Leveraged	Ecu140.00		—	–
Cregem Forex	$160.40		—	–

Crystal Corporation N.V.

	Bid Price	Offer Price	+ or -	Yield Gross
Shs Class A/B Dec 3	$82.78	86.20	—	–

For Custom House see Curran Inv Mgt

DWS Deutsche Ges. F. Wertpapiersp

	Bid Price	Offer Price	+ or -	Yield Gross
Investa	DM93.44	97.62	—	–
Provesta	DM125.83	130.57	—	–
Intervesta	DM70.55	72.31	—	–
Inter-Renta	DM34.51	35.35	—	–

Daehan Investment Trust Co Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Korea Trust NAV Dec 11	$58.82		—	–
Seoul Trust NAV Dec 14	$32.10		—	–
Daehan Korea Tst NAV Dec 14	$5.16		—	–
Daehan Asia Invest NAV Dec 14	$12.93		—	–

Daiwa APT Japan Fund

	Bid Price	Offer Price	+ or -	Yield Gross
Daiwa APT Japan	$7.3424	7.4685	—	–

Daiwa Intl Capital Management (H.K.) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Indonesia Equity NAV	$8.39		—	–
Malaysia Equity NAV	$23.95		—	–
Dicam Asian Env Dec 9	$16081.78		—	–
Dicam Asian Gth Dec 12	$18199.45		—	–

Daiwa International Capital Mngt (Sgp) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
DICMM Malaysian Eq Dec 14	$10823.58		—	–

Eaofin Fund Management Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Dec 14	$10.24		—	–

Ermitage Group

	Bid Price	Offer Price	+ or -	Yield Gross
Ermitage American Hedge	$9.91		—	–
Ermitage Asian Hedge	$13.45		+0.72	–
Ermitage Burrage Fd	£14.03		—	5.51
Ermitage Crosby Asia Fd	$21.83		+1.36	–
Ermitage Emerging Mkts	$14.48		-0.21	–
Ermitage Euro Hedge	DM14.03		+0.22	–
Ermitage Equities	$16.81		—	–
Ermitage FS Perseus	$18.19		—	–
Ermitage Intl Bond Fd	$21.89		—	–
Ermitage Japan Fd	Y7485		—	–
Ermitage Managed Fd	$42.38		—	–
Ermitage N America Fd	$13.46		—	–
Ermitage Salz Fd Ltd	$68.98		—	–
Ermitage UK Equities	£12.36		+0.16	3.00
Ermitage US Bond	$10.04		—	–
Ermitage Cash Fund	£42.22		—	–
Ermitage Ccy Res £ Fd Cl 1	£11.67		—	–
Ermitage Ccy Res £ Fd Cl 2	10.07		—	–
Ermitage Ccy Res US$ Fd Cl 1	$10.53		—	–
Ermitage Ccy Res US$ Fd Cl 2	10.53		—	–
EMH European Fd	DM110.80		—	–
EMH EMS Cap	Ecu126.05		—	4.00
EMH EMS Dist	Ecu118.32		—	4.00

Europe 1992

	Bid Price	Offer Price	+ or -	Yield Gross
NAV	$11.12		-0.06	–

S.G. Europe Obligations SA

	Bid Price	Offer Price	+ or -	Yield Gross
Europe-Obligations	$106.20		—	–

FFM / Swiss Financial Services

	Bid Price	Offer Price	+ or -	Yield Gross
Multiple Advisory Ltd	$1632.00		—	–

FX Concepts (Bermuda) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Concepts Forex Fund	$11.29		—	–
Concepts Mngo Swaps	$100.64		—	–

Fairbanks Global Capital Fund Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Jul 30	$51209.65		—	–

Falcon Fund International Inc

	Bid Price	Offer Price	+ or -	Yield Gross
Falcon Fd NAV Oct 31	$172.3311		—	–

Fidelity Investments

	Bid Price	Offer Price	+ or -	Yield Gross
Japan OTC Regional Mkts NAV	$8.05		+0.02	–
Am Vals IV	$114954		-285	–
Latin Am Capital Ltd Dec 13	$15.01		—	–
American Assets	$194.85	204.70	-1.66	0.92
Pacific	$394.38	414.10	-1.23	0.03

Firebird Capital Management

	Bid Price	Offer Price	+ or -	Yield Gross
Overseas Ltd NAV	$150.61		—	–

First Investments Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
FIL Leveraged US Govt Bond	$13.1189		—	15.08

First Mexico Income Fund

	Bid Price	Offer Price	+ or -	Yield Gross
First Mexico Inc Dec 8	$24.80		—	–

Five Arrows Chile Fund Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Dec 7	$24.75		—	–

Formosa Fund

NAV Dec 8 NT$2068.85 SDR US$77.28

Formosa Growth Fund Limited

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Dec 15	$11.81		—	–

Frankfurt Trust Investment-GmbH

	Bid Price	Offer Price	+ or -	Yield Gross
FTinterzins	DM44.16	45.48	—	–
Frankft. Effekt. Fd.	DM184.26	193.47	—	–

The GNI Diversified Fund Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Nov 30	$11.07		—	–

GT Chile Growth Fund Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Dec 7	$28.04		-0.81	–

GT Management Plc

	Bid Price	Offer Price	+ or -	Yield Gross
GT Applied Science	$17.63		—	–
GT Asia Sterling (z)	£23.40		+0.02	0.52
GT Biotech Hlth Fd (z)	$24.54		—	–
GT Deutschland Fd Ld	$13.27		-0.13	–
GT Europe Fund (z)	$48.25		-0.15	0.42
GT Global Small Cos (z)	$27.81		+0.30	0.30
GT Investment Fd (z)	$23.87		+0.01	0.17
GT Korea Fd (z)	$4.72		—	–
GT Newly Ind Cn Fd (z)	$67.13		—	0.72
GT Shenzhen & China	$10.81		—	–
GT Taiwan Fd (z)	$9.68		+0.85	–
GT US Small Cos (z)	$21.66		-0.14	–

Gaia Currency Funds

	Bid Price	Offer Price	+ or -	Yield Gross
Gaia Hedge II	$144.19	145.00	—	–
Gaia Hedge III	$15.46	15.66	—	–
Gaia Swiss Franc	SFr53.59	53.73	—	–
Gaia Gtd Crrncy I	$87.90		—	–
Gaia Gtd Crrncy II	$87.61		—	–
GAIA FX Limited	$114.92	115.12	—	–

Garantia Debt Fund

	Bid Price	Offer Price	+ or -	Yield Gross
Share Value Dec 1	$1.36		—	22.01

Garzarelli Sector Analysis Portfolio NV

	Bid Price	Offer Price	+ or -	Yield Gross
NAV	$13.77		—	–

Genesis Fund Managers Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Chile Fd NAV Nov 30	$–	32.72	+1.05	–
Emerging Mkts Nov 30	$–	27.81	+0.89	–
Malaysia Mega Nov 30	$–	22.44	-0.06	–
Condor Fd Nov 30	$–	20.23	+1.20	–

Gertrust SA

Hasenbichler Asset Management GmbH

	Bid Price	Offer Price	+ or -	Yield Gross
Commodities AG Dec 3	$5079		—	–
Comma Instit Inc Dec 3	$112.92		—	–
AFFT (Dual Fund Futs) Dec 3	$1327		—	–

Hausmann Hldgs NV Curacao

	Bid Price	Offer Price	+ or -	Yield Gross
Hausmann Nov 30	$962.18	683.86	—	–

The India Magnum Fund NV

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Dec 3	$47.14		—	–

Indian Opportunities Fund Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Dec 8	$11.84		—	–

Indosuez Asset Management Asia Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Tasman Fd (z)	$6.160	6.490	-0.04	–
Japan Fd (z)	$15.010	15.805	-0.02	–
N. American Tst (z)	$38.665	40.705	-0.365	0.14
Pacific Tst Ld	HK$38.365	38.265	-0.005	–
Oriental V'tures Tst (z)	$67.945	71.525	-0.13	–
Hong Kong Fd (z)	$55.615	58.545	-1.055	–
Managed Tst Dec 10	$35.505	37.380	+1.07	–
S'pore & Malaysia (z)	$37.410	39.385	+0.345	–
Asian Growth Fd (z)	$79.75		—	–
Asian Income Fd (z)	$11.82		-0.06	–
ISA Japan Regnl Gth (z)	Y783		+3	–
Pacific Gold Fd (z)	$18.20		+0.1	–
Himalayan Fd Dec 8	$15.38		+0.18	–
Malacca NAV Dec 8	$20.13		+0.56	–
Manila Fd NAV Dec 15	$25.08		+0.87	–
Siam Fd NAV Dec 8	$56.10	59.72	+4.91	–
Indosuez Korea (z)	$10.97		+0.1	–
Shanghai (Cayman) Ltd Dec 9	$13.34		+0.82	–

International Fund Administration Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Pangloss Offshore Nov 30	$105.41		—	–
Pacific Rim Opp Fd BVI Oct 30	$108.16		—	–

The Jaguar Fund N.V.

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Dec 9	$600.20		—	–

Jardine Fleming Inv Mngt Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
JF Fidelity Jpn NAV Dec 13	£1.9880		—	–
JF Japan OTC NAV Dec 13	$12.09		—	–
JF Pac Wrt NAV Dec 10	£6.67		+0.77	–
JF Asia Select NAV Nov 30	$7.59		—	–
JF Philippine NAV Dec 13	$18.15		—	–
JF Indonesia NAV Dec 13	$1.97		—	–

Jardine Fleming Unit Trusts Ltd

Asia Pacific

	Bid Price	Offer Price	+ or -	Yield Gross
JF Asean Trust (z)	$68.18	72.13	+2.00	–
JF Australia Tst	$8.37	8.77	—	–
JF China Trust	$21.87	22.84	-0.75	–
JF Eastern Tst (z)	$103.32	109.31	+1.14	–
JF Eastern Smaller Cos	$38.18	41.44	+0.49	–
JF Far Eastern Wrrts Tst	$29.73	31.46	+0.35	–
JF HK Tst (z)	$24.18	25.59	-0.36	–
JF India	$37.97	40.18	+0.63	–
JF Japan Trust (z)	Y11187	11838	+65	–
JF Japan OTC Tst	Y1357	1437	+2	–
JF Japan Small Co	Y43087	45499	-8	–
JF Japan Tech Tst	Y26150	27668	-8	–
JF Japan Warrant	$6.87	7.27	+0.08	–
JF Korea Trust	$11.37	12.03	+0.12	–
JF Malaysia Tst	$32.47	34.36	+0.72	–
JF New Zealand Tst	$15.48	16.40	+0.06	–
JF Ninja	Y4794	5072	+131	–
JF Japan Ninja Leveraged	Y1106	1171	-7	–
JF Nomura Asia Tst		$20.81		–
JF Pacific Inc Tst (z)	$14.14	14.97	-0.03	–
JF Pacific Secs Tst (z)	$77.85	82.37	+0.50	–
JF Pacific Smlr Cos Tst	$14.97	15.85	+0.08	–
JF Philippine Tst	$105.02	111.12	-0.36	–
JF Taiwan	[illegible]	[illegible]	+12.47	–
JF Thailand Tst	$37.70	39.90	+1.02	–
International				
JF American Growth Tst	$15.88	16.81	-0.05	–
JF Continental EuroTst	$3.35	3.53	-0.05	–
JF Global Bond Fd	$21.93	23.21	-0.11	5.5
JF European Tst (z)	$13.06	13.82	-0.13	–
JF Germany Tst	DM10.21	10.81	-0.10	–
JF Global Conv Tst	$15.81	16.73	-0.09	–

Lehman Brothers Oporto Growth Fund

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Nov 15	$8.31		—	–

Lippo Asia Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Java Fd (Cayman) Ltd NAV	$10.00		—	–

Lloyd George Management

	Bid Price	Offer Price	+ or -	Yield Gross
Antenna Fd Ltd Dec 10	$17.88		—	–
LG Asia Smaller Cos Dec 9	$19.8535		—	–
LGSC China Fd Dec 10	HK$12.36		—	–
LG India Dec 9	$11.98		—	–

London Portfolio Services Group

	Bid Price	Offer Price	+ or -	Yield Gross
LPS Int'l Ord	$12.80		—	1.55
LPS Int'l HPB	$12.998		—	1.74

MFS Meridian Funds

	Bid Price	Offer Price	+ or -	Yield Gross
Money Market	$1.00		—	2.24
US Govt Bond	$10.80		—	–
Global Govt Income	$12.08		—	–
Global Equity	$15.39		—	–
Multi-Currency	$10.83		—	–
Charter Income	$10.72		—	–
US Emerging Gwth	$17.70		—	–
US Equity	$10.52		—	–

Malaysia Capital Fund Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Dec 10	$19.91		—	–
Repurchase Nov 26	$15.84		—	–

Malaysia Fund (Labuan)

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Dec 3	$17.32		—	–

Malaysia Growth Fund

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Dec 10	$18.57		—	–

Man International Futures

	Bid Price	Offer Price	+ or -	Yield Gross
MINT Limited-Ord	$50.57		—	–
MINT Limited-Inc	$15.18		—	–
MINT Gtd Ltd-Spec. Iss	$30.56		—	–
MINT Gtd Ltd-Nov 1993	$25.68		—	–
MINT Gtd Ltd-Jan 1994	$21.09		—	–
MINT Gtd Ltd-Dec 1994	$19.57		—	–
MINT Gtd Ltd-Aug 1995	$16.43		—	–
MINT GTD Pacific Ltd A	$14244.30		—	–
MINT GTD Pacific Ltd B	$14077.35		—	–
MINT Mutual Gtd Ltd	$141.35		—	–
FBME MINT Gtd Ltd	$137.52		—	–
MINT Sp Res Ltd (BNP)	$110.98		—	–
MINT Gtd Currencies 2000	$11.15		—	–
MINT Gtd Currencies 2001	$11.63		—	–
MCA Pacific Ltd	A$1.6641		—	–
Athena David Futures Ltd	$11.22		—	–
Athena Gtd Curr Ltd	$9.50		—	–
Athena Gtd Finan Ltd Inc	$10.79		—	–
Athena Gtd Finan Ltd Cap	$11.67		—	–
Athena Gtd Futures	$12.80		—	–
AHL/MSN	$127.85		—	–
AHL Capital Markets	$12.86		—	–
AHL Commodity	$10.07		—	–
AHL Currency	$9.44		—	–
AHL Real Time Trading	$9.82		—	–
Map Gtd 1998 Ltd	$9.13		—	–
Map Gtd 2000 Ltd	$11.86		—	–
MAP Leveraged Recovery	$12.71		—	–

Mauritius Fund Ltd

Lloyds Bank Fund Managers (Guernsey) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Nov 30	$10.30		—	–

MeesPierson

	Bid Price	Offer Price	+ or -	Yield Gross
Tokyo Pac Hldgs NV	$214.78		—	–
Leveraged Cap Hldgs NV	$84.04		—	–
Asia Pac Gth Fd NV	$39.41		—	–
Asian Selection	Dfl109.06		—	–
DP Am Gth Fd NV	$37.03		—	–
Europe Gth Fd NV	Dfl59.84		—	–
Japan Diversified Fd	$45.95		—	–
EMS Offshore Fd	111.54		—	–
Asian Capital Holdings	$59.10		—	–

Merrill Lynch Asset Management

	Bid Price	Offer Price	+ or -	Yield Gross
Dollar Assets P'tfolio	$1.00		—	–
Prime Rate Portfolio	$10.00		—	–
Merrill Lynch Short-Term World Income Portfolio				
Class A	$8.84		-0.01	–
Class B	$8.84		-0.01	–
Merrill Lynch Medium Income Dollar Portfolio				
Class A	10.17		-0.01	–
Class B	10.17		-0.01	–
Merrill Lynch Mexican Income Peso Portfolio				
Class A	10.13		+0.03	–
Class B	10.13		+0.04	–

Merrill Lynch Guernsey

	Bid Price	Offer Price	+ or -	Yield Gross
Indonesia Cap NAV Dec 10	$14.620		—	–

(For information Only)

Mionisiak International Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Dec 10	$108.62		—	–

Momentum Asset Mngmt

	Bid Price	Offer Price	+ or -	Yield Gross
Momentum GuildLtd Nov 30	$93.71		—	–
Momentum RXR Fd Rolli-spot	$94.07		-2.30	–
Momentum Rainbow	$127.23	128.82	—	–

Montgomery Emerging Markets Fund Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Dec 10	$1347.22		—	–

Pacific Growth Fund

	Bid Price	Offer Price	+ or -	Yield Gross
NAV	$16.71		-0.11	–

Pakistan Fund

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Dec 9	$8.88		—	–

Pequot International Fund Inc

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Dec 8	$197.00		—	–

Philippine Income Fund Inc

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Dec 1	$10.91		—	–

Portuguese Investment Fund Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Dec 9	$76.7676		—	–

Putnam Embassy Funds Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
US Government A	$9.82		+0.05	–
US Government B	$9.80		+0.04	–
Global Government A	$10.10		+0.02	–
Global Government B	$10.06		+0.02	–
Strategic Income A	$10.24		+0.01	–
Strategic Income B	$10.21		+0.01	–

Putnam International Advisors Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Emrg Hlth Sci	$38.17		-0.39	–
Emrg. Info. Sci.	$37.41		—	–
High Inc GNMA (z)	$8.89		-0.02	–
International Fund	$15.03		-0.11	–
Global Hi Gth Fnd	$17.35		-0.16	–
Global Govt. Inc. Tst	$10.29		—	–

Quantum Group

	Bid Price	Offer Price	+ or -	Yield Gross
Quantum Fund	$27394	25090	+60	–
Emerging Growth Fd	$364.58	375.95	+0.28	–
Quasar Intl Fd	$251.05	259.56	+0.60	–
Quota Fund	$268.55	277.04	+3.10	–
Realty Trust	$143.00	146.00	+2.00	–
UK Realty Fund	£108.00	110.00	+1.00	–

Real Estate Strategies Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
IRES International	C$–	1173.06	—	–

Regent Fund Management Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Undervalued Assets Ser 1	$10.39		—	–
Leveraged Futures	$88.03		—	–
New Korea Growth	$12.38		—	–
Pacific Arbitrage Co Ltd	$9.74		—	–
Pacific Arbitrage Co Ltd	Y851.0		—	–
Pacific Hedge	$101.7107		—	–
R.L. Country Warrant	$129.51		—	–
Sri Lanka	$9.89		—	–

Republic New York Funds

	Bid Price	Offer Price	+ or -	Yield Gross
Global Currency Dec 10	$1052.56		—	–
Global Currency II Dec 10	$996.35		—	–
Global Fixed Inc Dec 10	$1040.46		—	–

Rosenwald, Rodfil & Co Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Asia Separated Invest NAV	$1034.40		—	–
Korea Non-Life Invest NAV	$142.72		—	–

Rothschild Asset Management (CI)

	Bid Price	Offer Price	+ or -	Yield Gross
Tokyo Pac (Securit)	$182.33		—	–

Royal Trust Intl Money Market Fund

	Bid Price	Offer Price	+ or -	Yield Gross
RT Money US$ Acc	$1.0536		—	2.71
RT Money US$ Inc	$1.0112		—	2.76
RT Money C$ Acc	C$1.0688		—	3.88
RT Money C$ Inc	C$1.0263		—	4.76
RT Money UKE Acc	£1.1255		—	5.30
RT Money UKE Inc	£1.0408		—	5.68
RT Money SFR Acc	SFr1.0639		—	3.56
RT Money SFR Inc	SFr1.0108		—	3.45
RT Money DM Acc	DM1.1000		—	5.37
RT Money DM Inc	DM1.0222		—	5.38
RT Money Fd Yen Acc	Y1.0224		—	1.97
RT Money Fd Yen Inc	Y1.0136		—	2.00

Sabre Futures Fund

	Bid Price	Offer Price	+ or -	Yield Gross
Diversified A Shs	$28.07		—	–
London Currency	£90.09		—	–

Safra Republic Holding

	Bid Price	Offer Price	+ or -	Yield Gross
Republic Gnsey Dollar Income	$10.82		—	–
Republic Gnsey Europ Income	DM10.89		—	–
Republic Latin Am Allocation	$107.52		—	–

Wardley Investment Services Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Japanese Warrants	$2.04	2.17	—	–
Asian Warrants	$18.07	19.13	—	–
European Warrants	$10.35	10.97	—	–
Managed	HK$14.19	15.01	—	–
Private Capital Tst	$28.60		—	–
China Fund	$10.29		—	–

Wellington Fd Mngrs (Bermuda) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Intnl Growth Fd	$16.15	16.95	+0.47	–

Wells Fargo U.S. IT Fund

	Bid Price	Offer Price	+ or -	Yield Gross
Wells Fargo A Shs (z)	$13.33		-0.08	–
Wells Fargo B Shs (z)	$14.05		-0.14	–

Worldwide Limited

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Oct 31	$90.66		—	–

Xiphias International Investment Fd Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Xiphias Int US$ Acc	$1.4238		—	–
Xiphias Int ECU Acc	Ecu1.4992		—	–
Xiphias Int ECU Dis	Ecu1.3054		—	–

Yamaichi Capital Mngmt (Guernsey) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Thai Inv Fund	$19.88		—	–

MANAGED FUNDS NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. Prices of certain older insurance linked plans subject to capital gains tax on sales. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. u Designated as a UCITS (Undertakings for Collective Investment in Transferable Securities). x Offered price includes all expenses except agent's commission. z Previous day's price. §§ Guernsey gross. § Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡ Only available to charitable bodies. ⊕ Yield column shows annualised rates of NAV increase, ad ex dividend.

(**) Funds not SIB Recognised. The regulatory authorities for these funds are: Guernsey: Financial Services Commission; Ireland: Central Bank of Ireland; Isle of Man: Financial Supervision Commission; Jersey: Financial Services Department; Luxembourg: Institut Monétaire Luxembourgeois.

CURRENCIES AND MONEY

MARKETS REPORT

Dollar firms against yen

The US dollar rose to a five-month high against the Japanese yen and is expected to test Y110 today, *writes Conner Middelmann.*

The dollar rose to a high of Y109.86 and closed at Y109.65, up from Y109.35 on Tuesday. It received a lift from Tuesday's November trade figures, showing Japan's trade surplus against the US narrowing for the first time in nearly three years, and a stream of strong US economic data at a time when the Japanese economy remains troubled.

Moreover, expectations of a reduction soon in Japan's 1.75 per cent official discount rate to stimulate the economy are keeping the Yen under pressure.

"With the fiscal package delayed, the onus is once again on monetary policy to help the economy, and the Bank of Japan is coming under increased pressure to ease," said Mr Stephen King, deputy chief economist at James Capel. He expects the dollar to trade around Y121 by the end of 1994 and predicts Y130 for the second half of 1995. "Interest rates will stay low, and when the recovery does come, it will be weak by historical standards," he said.

The dollar also gained some more ground against the D-Mark on residual hopes that the Bundesbank's central bank council would cut official interest rates at its meeting today. It closed at DM1.7160, up from DM1.735 on Tuesday but off its day's high of DM1.7205.

The resolution of the GATT world trade talks had next to no impact on the currency market, with an agreement already heavily discounted for days. "The market is relieved all the brinkmanship of the last weeks is over and it can settle down to business as usual," said Mr King.

● In the UK money market, the short-term sterling interest rate contract slid sharply on disappointment that the Bank of England did not cut interest rates following better-than-expected inflation numbers. This offered an opportunity for many traders holding long positions in the contract to take profits after its recent strong run.

The November retail prices index excluding mortgage interest payments rose by 2.5 per cent year-on-year, after 2.8 per cent in October. The headline inflation rate came in at 1.4 per cent last month, the same as in October.

Immediately after the RPI release, the March short sterling contract jumped to 95.00, but when the Bank of England's operations made it clear that there would be immediate rate cut, the contract quickly sold off to a low of 94.81. It closed at 94.85, down 0.09 point from Tuesday.

"It was an overbought market, and too many people were long of it," said a senior money dealer.

There are still lingering hopes that the central bank could announce a rate cut later this week, although the shake-out in the futures pit indicated those have waned significantly.

Market conditions remained tight, causing money rates at the short end to firm again. The Bank of England announced a shortage of £2.65bn, which was later revised down to £2.5bn. In early operations it purchased bills totalling £1.65bn for resale to the market on January 5-6 at 5$\frac{13}{32}$ per cent. In further operations, the Bank bought bills totalling £37m, followed by another £190m in the afternoon and late assistance of around £645m.

As long as residual hopes for a near-term rate cut persist, the Bank will keep a tight grip on market liquidity, said a trader. But if the Bundesbank leaves rates unchanged today and hopes for a base rate cut wane further, "the Bank will probably ease off and money market conditions could relax," he predicted.

"I don't see another base rate cut this year - the signals the authorities have given are very, very clear," said Mr Philip Shaw, group economist at Union Discount, one of the eight London discount houses.

Sterling eased to DM2.450 against the D-Mark, from DM2.550 in thin turnover.

● The French franc gained further ground against the D-Mark, boosted by the GATT world trade agreement and hopes for further French easing. Contrary to perceived economic wisdom, rate cuts tend to bolster the French currency on hopes that they will stimulate the sluggish economy.

The French franc rose to FFr3.418 against the D-Mark from FFr3.422 on Tuesday. It hit a high of FFr3.4128 during the day, boosted by a call for lower interest rates by prime minister Edouard Balladur. He told parliament in a speech that lower rates were a necessary condition for economic recovery in France.

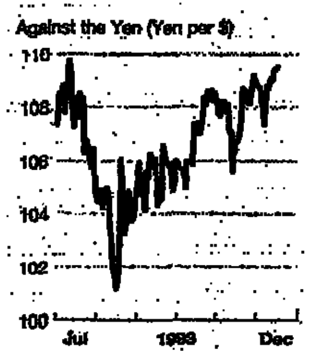
The French currency's continued strength indicates that even if the Bundesbank leaves rates unchanged today, there is a reasonable chance of French easing before Christmas, said Capel's Mr King. "With the franc at this level, they must be rebuilding reserves very quickly and must be seriously thinking about lowering rates," he said.

● The remaining currencies in Europe's exchange rate mechanism were little changed against the D-Mark.

The Belgian franc was unchanged at BFr20.86 to the D-Mark. The Danish krone ended at DKr3.923, down from DKr3.916 on Tuesday. The Italian Lira closed at L987.0 against the D-mark, barely changed from L987.1 the previous day.

Dollar

Against the Yen (Yen per $)



Source: FT Graphite

■ **Pound in New York**

Dec 15	—Latest—	– Prev. close –
£ spot	1.4825	1.4885
1 mth	1.4791	1.4853
3 mth	1.4745	1.4812
1 yr	1.4629	1.4708

POUND SPOT FORWARD AGAINST THE POUND

Dec 15		Closing mid-point	Change on day	Bid/offer spread	Day's Mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	Bank of Eng. Index
Europe													
Austria	(Sch)	17.90	-0.05	785 - 795	17.95	17.80	17.9106	-0.7	17.9237	-0.5	-	-	114.2
Belgium	(BFr)	53.10	-0.1	305 - 315	53.40	53.05	53.185	-1.9	53.34	-1.8	53.68	-1.1	113.2
Denmark	(DKr)	9.9650	-0.0025	800 - 900	10.0100	9.9675	10.0055	-2.5	10.033	-1.9	10.0895	-1.1	115.6
Finland	(FM)	8.6175	+0.034	150 - 200	8.6495	8.5900	-	-	-	-	-	-	79.2
France	(FFr)	8.6975	-0.03	925 - 025	8.7325	8.6900	8.7049	-1.0	8.7202	-1.0	8.7429	-0.5	108.2
Germany	(DM)	2.5450	-0.005	425 - 475	2.5575	2.5400	2.5468	-0.8	2.5487	-0.6	2.5487	-0.1	123.6
Greece	(Dr)	364.60	-1.05	430 - 490	366.00	362.75	-	-	-	-	-	-	-
Ireland	(I£)	1.0515	-0.002	510 - 520	1.0550	1.0480	1.0521	-0.7	1.0636	-0.8	1.0583	-0.7	102.2
Italy	(L)	2511.50	-5.5	100 - 200	2516.25	2508.25	2517.35	-2.8	2529.75	-2.9	2583.15	-2.9	76.0
Luxembourg	(LFr)	53.10	-0.1	305 - 315	53.40	53.05	53.185	-1.9	53.34	-1.8	53.68	-1.1	113.2
Netherlands	(Fl)	2.8500	-0.0075	450 - 550	2.8600	2.8450	2.8507	-0.3	2.8519	-0.3	2.85	0.0	119.0
Norway	(NKr)	11.0600	-0.015	550 - 650	11.0900	11.0450	11.0682	-0.7	11.07	-0.4	11.0602	0.0	85.7
Portugal	(Es)	259.25	-1.25	875 - 975	260.50	258.50	260.855	-6.5	263.095	-5.9	-	-	-
Spain	(Pta)	208.20	-0.15	805 - 835	208.60	207.95	208.885	-3.7	209.96	-3.4	216.365	-3.4	85.3
Sweden	(SKr)	12.5200	-0.05	150 - 250	12.5625	12.5000	12.5445	-2.3	12.5755	-1.8	12.706	-1.5	72.7
Switzerland	(SFr)	2.1750	-0.0075	700 - 800	2.1850	2.1700	2.1723	1.5	2.168	1.3	2.1483	1.4	117.0
UK	(£)	-	-	-	-	-	-	-	-	-	-	-	81.5
Ecu	-	1.3180	-0.003	175 - 185	1.3240	1.3165	1.3191	-1.0	1.3209	-0.9	1.3246	-0.5	-
SDR†	-	0.830320	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	1.4815	-0.0055	810 - 820	1.4865	1.4790	-	-	-	-	-	-	-
Brazil	(Cr)	406.60	+4.3	655 - 665	407.00	401.60	-	-	-	-	-	-	-
Canada	(C$)	1.9790	-0.008	785 - 795	1.9875	1.9765	1.976	1.8	1.9717	1.5	1.9646	0.7	90.9
Mexico	(New Peso)	4.6110	-0.029	095 - 125	4.6250	4.6035	-	-	-	-	-	-	-
USA	($)	1.4835	-0.005	830 - 840	1.4900	1.4815	1.4801	2.8	1.4754	2.2	1.4635	1.3	67.1
Pacific/Middle East/Africa													
Australia	(A$)	2.2010	-0.012	000 - 020	2.2190	2.1975	2.1991	1.1	2.1974	0.7	2.1977	0.1	-
Hong Kong	(HK$)	11.4670	-0.038	660 - 680	11.5050	11.4450	11.4451	2.3	11.4154	1.8	11.3484	1.1	-
India	(Rs)	46.55	-0.15	650 - 660	46.75	46.50	-	-	-	-	-	-	-
Japan	(Y)	162.75	-	225 - 325	163.50	162.25	162.25	3.7	161.375	3.4	157.605	3.2	179.0
Malaysia	(M$)	3.7855	-0.0105	845 - 865	3.7970	3.7790	-	-	-	-	-	-	-
New Zealand	(NZ$)	2.6640	-0.015	630 - 650	2.6765	2.6600	2.6659	-0.9	2.666	-0.3	2.6708	-0.3	-
Philippines	(Peso)	41.55	-0.1	150 - 160	41.65	41.50	-	-	-	-	-	-	-
Saudi Arabia	(SR)	5.5745	-0.013	715 - 775	5.5870	5.5675	-	-	-	-	-	-	-
Singapore	(S$)	2.3655	-0.0085	650 - 660	2.3740	2.3620	-	-	-	-	-	-	-
S Africa (Com.)	(R)	5.0210	-0.008	200 - 220	5.0310	5.0100	-	-	-	-	-	-	-
S Africa (Fin.)	(R)	6.5950	-0.065	875 - 025	6.7000	6.5580	-	-	-	-	-	-	-
South Korea	(Won)	1203.10	-4.4	300 - 320	1207.50	1200.90	-	-	-	-	-	-	-
Taiwan	(T$)	39.75	-0.2	970 - 980	39.95	39.65	-	-	-	-	-	-	-
Thailand	(Bt)	37.80	-0.05	775 - 785	37.90	37.75	-	-	-	-	-	-	-

†SDR rate for Dec 14. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1985 = 100.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Dec 15		Closing mid-point	Change on day	Bid/offer spread	Day's mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	Morgan G'ty chges %
Europe													
Austria	(Sch)	12.0600	+0.0275	575 - 625	12.0775	12.0525	12.09	-3.0	12.13	-2.3	12.25	-1.6	+16.24
Belgium	(BFr)	35.80	+0.05	575 - 585	35.90	35.70	35.94	-4.7	36.16	-4.0	36.685	-2.5	-0.09
Denmark	(DKr)	6.7300	+0.02	275 - 325	6.7325	6.7100	6.7595	-5.3	6.7995	-4.1	6.9	-2.5	+10.42
Finland	(FM)	5.8045	+0.0415	030 - 060	5.8160	5.7700	5.8207	-3.4	5.844	-2.7	5.904	-1.7	-
France	(FFr)	5.8625	-	600 - 650	5.8675	5.8500	5.881	-3.8	5.9102	-3.3	5.9735	-1.9	-7.57
Germany	(D)	1.7160	+0.0025	155 - 165	1.7185	1.7130	1.7209	-3.5	1.728	-2.8	1.742	-1.5	+31.31
Greece	(Dr)	245.60	+0.1	540 - 580	246.00	243.75	249.6	-19.5	257.6	-19.5	292.6	-19.1	-
Ireland	(I£)	1.4110	-0.0035	105 - 115	1.4155	1.4105	1.407	3.4	1.4007	2.9	1.3838	1.9	-
Italy	(L)	1693.00	+2	275 - 325	1693.50	1687.50	1700.85	-5.6	1714.7	-5.1	1765	-4.3	-37.39
Luxembourg	(LFr)	35.80	+0.05	575 - 585	35.90	35.70	35.94	-4.7	36.16	-4.0	36.685	-2.5	-0.09
Netherlands	(Fl)	1.9215	+0.002	210 - 220	1.9225	1.9180	1.926	-2.8	1.9325	-2.3	1.9447	-1.2	+21.16
Norway	(NKr)	7.4550	+0.015	525 - 575	7.4675	7.4400	7.4737	-3.0	7.4967	-2.2	7.5587	-1.4	-17.88
Portugal	(Es)	174.80	+0.05	475 - 485	175.15	174.70	176.07	-8.7	178.23	-7.8	186.15	-6.5	-
Spain	(Pta)	140.35	+0.55	030 - 040	140.40	139.90	141.1	-6.4	142.315	-5.6	146.65	-4.5	-
Sweden	(SKr)	8.4400	-0.005	375 - 425	8.4675	8.4200	8.474	-4.8	8.52	-3.8	8.6735	-2.8	-30.44
Switzerland	(SFr)	1.4655	-	650 - 660	1.4695	1.4620	1.467	-1.3	1.4688	-0.9	1.4647	0.1	+26.55
UK	(£)	1.4835	-0.005	830 - 840	1.4900	1.4815	1.4801	2.8	1.4754	2.2	1.4635	1.3	-27.98
Ecu	-	1.1255	-0.003	250 - 260	1.1280	1.1240	1.1221	3.7	1.1169	3.1	1.1046	1.8	-
SDR†	-	1.38506	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	0.9985	-	980 - 990	0.9990	0.9975	-	-	-	-	-	-	-
Brazil	(Cr)	273.90	+3.85	385 - 395	274.00	273.60	-	-	-	-	-	-	-
Canada	(C$)	1.3340	+0.001	335 - 345	1.3360	1.3305	1.334	-0.8	1.3354	-0.7	1.3415	-0.6	-11.37
Mexico	(New Peso)	3.1060	-0.009	050 - 070	3.1070	3.1050	3.1077	-0.7	3.1118	-0.7	3.128	-0.6	-
USA	($)	-	-	-	-	-	-	-	-	-	-	-	-10.10
Pacific/Middle East/Africa													
Australia	(A$)	1.4825	-0.003	820 - 830	1.4915	1.4820	1.4837	-1.0	1.4869	-1.2	1.4951	-0.8	-46.42
Hong Kong	(HK$)	7.7240	-	235 - 245	7.7255	7.7230	7.7257	-0.3	7.7275	-0.2	7.734	-0.1	-
India	(Rs)	31.3700	-	675 - 725	31.3750	31.3675	31.45	-3.1	31.655	-3.6	-	-	-
Japan	(Y)	109.65	+0.3	960 - 970	109.85	109.25	109.565	0.9	109.33	1.2	107.635	1.8	+119.49
Malaysia	(M$)	2.5500	+0.0015	495 - 505	2.5510	2.5495	2.5542	-2.0	2.5635	-2.1	2.605	-2.2	-
New Zealand	(NZ$)	1.7945	-0.004	935 - 955	1.7985	1.7935	1.7958	-0.9	1.7988	-1.0	1.807	-0.7	-
Philippines	(Peso)	28.00	+0.05	795 - 805	28.05	27.85	-	-	-	-	-	-	-
Saudi Arabia	(SR)	3.7535	+0.0025	530 - 540	3.7540	3.7515	3.7593	-1.9	3.769	-1.7	3.786	-0.9	-
Singapore	(S$)	1.5935	-0.0005	930 - 940	1.5955	1.5925	1.5931	0.3	1.5923	0.3	-	-	-
S Africa (Com.)	(R)	3.3820	+0.0055	815 - 825	3.3840	3.3730	3.3925	-3.7	3.422	-4.7	3.532	-4.4	-
S Africa (Fin.)	(R)	4.4425	-0.0425	375 - 475	4.5000	4.4160	4.4725	-8.1	4.5305	-7.9	-	-	-
South Korea	(Won)	810.45	-0.2	040 - 050	811.10	810.30	813.45	-4.4	816.95	-3.2	835.45	-3.1	-
Taiwan	(T$)	26.80	-0.05	675 - 685	26.85	26.75	26.865	-2.9	27.005	-3.1	-	-	-
Thailand	(Bt)	25.45	+0.05	540 - 550	25.50	25.35	25.465	-0.7	25.495	-0.7	25.76	-1.2	-

†SDR rate for Dec 14. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Morgan Guaranty Changes shown for Dec 14 . Base average 1980/82=100

MONEY MARKET FUNDS

Money Market Trust Funds

	Gross	Net	Gross CAR	Int Cr
CAF Money Management Co Ltd 48 Pembury Road, Tonbridge TN9 2JD 0732 770114				
Calcash Deposit Fund	5.63	-	5.78	3-Mth
Deposits Over £1 million	5.73	-	5.88	3-Mth
Deposits Over £2 million	5.83	-	[illegible]	3-Mth
The COIF Charities Deposit Account 2 Fore Street, London EC2Y 5AQ 071-588 1815				
Deposit	5.30	-	5.41	3-Mth
Cent. Bd. of Fin. of Church of England 2 Fore Street, London EC2Y 5AQ 071-588 1815				
Deposit	5.29	-	5.40	3-Mth
Gartmore Money Management Ltd 16-18 Monument St, London EC3R 8QQ 071-236 1425				
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Money Market Bank Accounts

Alliance Home Bank plc [illegible]

Allied Trust Bank Ltd [illegible]

American Express Bank Ltd [illegible]

Bank of Ireland High Interest Cheque Acc [illegible]

Bank of Scotland [illegible]

Barclays Select [illegible]

Barclays Prime Account H.I.C.A. [illegible]

Brown Shipley & Co Ltd [illegible]

Caledonian Bank Plc [illegible]

Cater Allen Ltd [illegible]

Charterhouse Bank Limited [illegible]

Clydesdale Bank Flexible Solution Acc [illegible]

The Co-operative Bank [illegible]

Coutts & Co [illegible]

Dao Heng Bank (London) PLC Premier Acc [illegible]

Fidelity Money Market Account [illegible]

Gartmore Money Management Ltd [illegible]

Halifax Bldg Soc Asset Reserve Cheque Acc [illegible]

Julian Hodge Bank Ltd [illegible]

Humberclyde Finance Group [illegible]

Leopold Joseph & Sons Limited [illegible]

Kleinwort Benson Ltd [illegible]

Kleinwort Benson Private Bank [illegible]

Lloyds Bank - Investment Account [illegible]

Midland Bank plc [illegible]

Nationwide Bldg Soc - Businessinvestor [illegible]

Portman Bldg Soc Prestige Cheque Account [illegible]

Royal Bank of Scotland plc Premium Acc [illegible]

Save & Prosper/Robert Fleming [illegible]

Tyndall Bank plc [illegible]

ULC Trust Limited [illegible]

United Dominions Trust Ltd [illegible]

J. Henry Schroder Wagg & Co Ltd [illegible]

Western Trust High Interest Cheque Acc [illegible]

Wimbledon & South West Finance PLC [illegible]

NOTES - Gross: Contractual rate of interest payable, not taking account of the deduction of basic rate income tax. Net: Rate of interest payable after allowing for deduction of basic rate income tax. Gross CAR: Gross rate annualised to take account of compounding of interest paid other than once a year. 'Compounded Annual Rate'. Int Cr: Frequency at which interest is credited to the account.

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Dec 15		BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	Y	Ecu
Belgium	(BFr)	100	18.80	16.38	4.793	1.979	4731	5.367	20.83	488.1	392.1	23.58	4.096	1.883	3.727	2.793	306.6	2.482
Denmark	(DKr)	53.18	10	8.711	2.549	1.053	2516	2.854	11.08	259.6	208.5	12.54	2.178	1.002	1.982	1.485	163.0	1.320
France	(FFr)	61.05	11.48	10	2.926	1.208	2888	3.277	12.72	298.0	239.4	14.39	2.501	1.150	2.275	1.705	187.2	1.515
Germany	(DM)	20.86	3.923	3.418	1	0.413	987.0	1.120	4.346	101.8	81.81	4.919	0.855	0.393	0.778	0.583	63.97	0.518
Ireland	(I£)	50.52	9.500	8.276	2.422	1	2390	2.712	10.52	246.6	198.1	11.91	2.069	0.951	1.883	1.411	154.9	1.254
Italy	(L)	2.114	0.397	0.346	0.101	0.042	100.	0.113	0.440	10.32	8.288	0.498	0.087	0.040	0.079	0.059	6.481	0.052
Netherlands	(Fl)	18.63	3.504	3.052	0.893	0.369	881.4	1	3.881	90.95	73.05	4.393	0.763	0.351	0.694	0.520	57.12	0.462
Norway	(NKr)	48.01	9.028	7.864	2.301	0.950	2271	2.577	10	234.4	188.2	11.32	1.967	0.904	1.789	1.341	147.2	1.192
Portugal	(Es)	20.49	3.852	3.356	0.982	0.405	969.1	1.100	4.267	100.	80.32	4.830	0.839	0.386	0.764	0.572	62.81	0.508
Spain	(Pta)	25.50	4.796	4.178	1.222	0.505	1207	1.369	5.312	124.5	100.	6.013	1.045	0.480	0.951	0.712	78.19	0.633
Sweden	(SKr)	42.41	7.975	6.947	2.033	0.839	2006	2.276	8.834	207.0	166.3	10	1.737	0.799	1.581	1.185	130.0	1.053
Switzerland	(SFr)	24.41	4.591	3.999	1.170	0.483	1155	1.310	5.085	119.2	95.72	5.756	1	0.460	0.910	0.682	74.85	0.606
UK	(£)	53.10	9.985	8.698	2.545	1.051	2512	2.850	11.06	259.2	208.2	12.52	2.175	1	1.979	1.483	162.8	1.318
Canada	(C$)	26.83	5.045	4.395	1.286	0.531	1269	1.440	5.589	131.0	105.2	6.326	1.099	0.505	1	0.749	82.26	0.666
US	($)	35.81	6.733	5.865	1.716	0.709	1694	1.922	7.458	174.8	140.4	8.442	1.467	0.674	1.334	1	109.8	0.889
Japan	(Y)	326.2	61.33	53.43	15.63	6.456	15430	17.51	67.94	1592	1279	76.90	13.36	6.143	12.16	9.109	1000.	8.096
Ecu		40.29	7.576	6.599	1.931	0.797	1906	2.162	8.392	196.7	158.0	9.499	1.650	0.759	1.502	1.125	123.5	1

Yen per 1,000; Danish Kroner, French Franc, Norwegian Kroner and Swedish Kronor per 10; Belgian Franc, Escudo, Lira and Peseta per 100.

■ **D-MARK FUTURES** (IMM) DM 125,000 per DM

	Open	Latest	Change	High	Low	Est. vol	Open Int.
Mar	0.5793	0.5788	-0.0002	0.5795	0.5779	44,268	126,168
Jun	0.5758	0.5758	-	0.5768	0.5755	923	1,691
Sep	-	0.5742	-0.0026	-	0.5742	20	129

■ **SWISS FRANC FUTURES** (IMM) SFr 125,000 per SFr

	Open	Latest	Change	High	Low	Est. vol	Open Int.
Mar	0.6806	0.6805	-0.0002	0.6809	0.6788	14,101	29,423
Jun	0.6791	0.6805	-0.0014	0.6805	0.6785	27	67
Sep	-	0.6811	-0.0007	-	-	1	24

■ **JAPANESE YEN FUTURES** (IMM) Yen 12.5 per Yen 100

	Open	Latest	Change	High	Low	Est. vol	Open Int.
Mar	0.9170	0.9139	-0.0028	0.9185	0.9132	15,076	71,434
Jun	0.9170	0.9175	-0.0030	0.9176	0.9170	724	1,417
Sep	-	0.9255	-0.0035	-	-	8	182

■ **STERLING FUTURES** (IMM) £62,500 per £

	Open	Latest	Change	High	Low	Est. vol	Open Int.
Mar	1.4810	1.4790	-0.0016	1.4812	1.4760	8,312	28,806
Jun	1.4720	1.4724	-0.0022	1.4734	1.4706	194	325
Sep	-	1.4680	-0.0020	-	1.4680	1	5
Dec	-	1.4690	-0.0016	-	1.4690	3	1

EMS EUROPEAN CURRENCY UNIT RATES

Dec 15	Ecu cen. rates	Rate against Ecu	Change on day	% +/- from cen. rate	% spread v weakest	Div. Ind.
Netherlands	2.19672	2.16347	+0.0005	-1.51	3.84	-
Ireland	0.808628	0.797516	+0.000609	-1.37	3.69	9
Germany	1.94964	1.93225	+0.00077	-0.89	3.18	-
Belgium	40.2123	40.3054	-0.0917	0.23	2.03	-2
France	6.53883	6.59994	+0.00099	0.93	1.32	-8
Denmark	7.43679	7.57029	+0.00447	1.80	0.46	-12
Portugal	192.854	196.974	+0.218	2.14	0.13	-14
Spain	154.250	157.743	+0.158	2.26	0.00	-16
NON ERM MEMBERS						
Greece	264.513	276.740	+0.052	4.62	-2.25	-
Italy	1793.19	1902.84	-3.54	6.11	-3.63	-
UK	0.786749	0.757940	+0.000539	-3.66	6.15	-

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
(17/9/92) Sterling and Italian Lira suspended from ERM. Adjustment calculated by the Financial Times.

■ **PHILADELPHIA SE £/$ OPTIONS** £31,250 (cents per pound)

Strike Price	CALLS Jan	Feb	Mar	PUTS Jan	Feb	Mar
1.400	8.02	8.12	8.34	0.03	0.34	0.78
1.425	5.75	6.13	6.47	0.20	0.74	1.34
1.450	3.73	4.31	4.79	0.59	1.40	2.13
1.475	2.11	2.81	3.36	1.41	2.39	3.16
1.500	1.02	1.77	2.35	2.76	3.73	4.55
1.525	0.42	1.02	1.54	4.63	5.47	6.21

Previous day's vol., Calls 8,517 Puts 20,583 . Prev. day's open int., Calls 445,817 Puts 371,524

WORLD INTEREST RATES

MONEY RATES

December 15	Over night	One month	Three mths	Six mths	One year	Lomb. Inter.	Dis. rate	Repo rate
Belgium	7⅛	7¼	7$\frac{3}{16}$	6⅝	6⅝	7.50	5.25	-
week ago	7$\frac{3}{16}$	7¼	7⅛	6$\frac{9}{16}$	6$\frac{9}{16}$	7.50	5.25	-
France	6⅝	6⅝	6½	6⅛	5⅝	6.20	-	7.75
week ago	6$\frac{11}{16}$	6⅝	6$\frac{9}{16}$	6$\frac{3}{16}$	5¾	6.20	-	7.75
Germany	6.08	6.23	6.03	5.68	5.28	6.75	5.75	6.00
week ago	6.08	6.23	6.03	5.68	5.28	6.75	5.75	6.00
Ireland	6$\frac{5}{16}$	6$\frac{5}{16}$	6¼	5$\frac{13}{16}$	5½	-	-	6.75
week ago	6$\frac{5}{16}$	6$\frac{5}{16}$	6¼	5$\frac{13}{16}$	5½	-	-	6.75
Italy	8⅛	8$\frac{5}{16}$	8½	8$\frac{1}{4}$	8$\frac{3}{16}$	-	8.00	8.57
week ago	9$\frac{1}{16}$	8$\frac{9}{16}$	8¾	8⅝	8$\frac{7}{16}$	-	8.00	9.05
Netherlands	5.84	5.84	5.56	5.27	5.00	-	5.25	-
week ago	5.63	5.84	5.61	5.30	5.05	-	5.25	-
Switzerland	4⅝	4$\frac{7}{16}$	4¼	4$\frac{1}{16}$	3¾	6.625	4.25	-
week ago	4¼	4$\frac{7}{16}$	4⅛	3$\frac{15}{16}$	3¾	6.625	4.25	-
US	2$\frac{15}{16}$	3⅛	3⅛	3$\frac{1}{4}$	3⅝	-	3.00	-
week ago	2$\frac{7}{8}$	3⅛	3⅛	3⅛	3$\frac{7}{16}$	-	3.00	-
Japan	2½	2⅜	2$\frac{1}{16}$	1$\frac{15}{16}$	1⅞	-	1.75	-
week ago	2$\frac{13}{16}$	2⅜	2$\frac{1}{16}$	1$\frac{15}{16}$	1⅞	-	1.75	-
■ **$ LIBOR FT London**								
Interbank Fixing	-	3¼	3$\frac{5}{16}$	3½	3$\frac{11}{16}$	-	-	-
week ago	-	3¼	3$\frac{1}{4}$	3⅜	3$\frac{9}{16}$	-	-	-
US Dollar CDs	-	3.00	3.07	3.19	3.53	-	-	-
week ago	-	3.00	3.13	3.23	3.52	-	-	-
SDR Linked Ds	-	3$\frac{3}{8}$	3$\frac{7}{16}$	3⅝	3⅞	-	-	-
week ago	-	3⅜	3⅞	3$\frac{7}{16}$	3$\frac{9}{16}$	-	-	-

3 Month US Treasury Bill Yield, 3.10 Prime Rate 6pc $ LIBOR interbank fixing rates are offered rates for $10m quoted to the market by four reference banks at 11am each working day. The banks are: Bankers Trust, Bank of Tokyo, Barclays and National Westminster.
Mid rates are shown for the domestic Money Rates, US $ CDs and SDR Linked Deposits (Ds).

EURO CURRENCY INTEREST RATES

Dec 15	Short term	7 days notice	One month	Three months	Six months	One year
Belgian Franc	7⅝ - 7½	7⅝ - 7½	7¾ - 7⅝	7$\frac{5}{16}$ - 7$\frac{3}{16}$	6⅝ - 6½	6½ - 6⅜
Danish Krone	7½ - 6¾	8 - 7⅞	8 - 7⅞	7⅜ - 7⅛	7 - 6¾	6⅝ - 6⅜
D-Mark	6¼ - 6⅛	6¼ - 6⅛	6$\frac{7}{16}$ - 6$\frac{3}{16}$	6⅛ - 6	5¾ - 5⅝	5$\frac{3}{16}$ - 5$\frac{1}{16}$
Dutch Guilder	5$\frac{15}{16}$ - 5$\frac{13}{16}$	5$\frac{15}{16}$ - 5$\frac{13}{16}$	5$\frac{15}{16}$ - 5$\frac{13}{16}$	5¾ - 5⅝	5$\frac{5}{16}$ - 5$\frac{3}{16}$	5 - 4⅞
French Franc	6$\frac{11}{16}$ - 6$\frac{7}{16}$	6$\frac{11}{16}$ - 6$\frac{7}{16}$	6$\frac{11}{16}$ - 6$\frac{7}{16}$	6½ - 6⅜	6$\frac{3}{16}$ - 6$\frac{1}{16}$	5$\frac{11}{16}$ - 5$\frac{9}{16}$
Portuguese Esc.	11⅛ - 10⅝	11⅛ - 10⅝	11⅞ - 11⅜	11¾ - 11¼	11⅛ - 10¾	10¾ - 10¼
Spanish Peseta	9¼ - 9	9$\frac{3}{16}$ - 9$\frac{1}{16}$	9¼ - 9	8⅞ - 8⅝	8$\frac{9}{16}$ - 8$\frac{5}{16}$	8¼ - 8
Sterling	6⅞ - 6⅝	6½ - 6¼	5$\frac{13}{16}$ - 5$\frac{11}{16}$	5$\frac{7}{16}$ - 5$\frac{5}{16}$	5$\frac{5}{16}$ - 5$\frac{3}{16}$	5$\frac{3}{16}$ - 5$\frac{1}{16}$
Swiss Franc	4$\frac{7}{16}$ - 4$\frac{5}{16}$	4$\frac{7}{16}$ - 4$\frac{5}{16}$	4$\frac{7}{16}$ - 4$\frac{5}{16}$	4$\frac{3}{16}$ - 4$\frac{1}{16}$	4 - 3⅞	3¾ - 3⅝
Can. Dollar	4½ - 4$\frac{3}{16}$	4¼ - 4$\frac{1}{16}$	4⅛ - 4	4$\frac{1}{16}$ - 3$\frac{15}{16}$	4$\frac{3}{16}$ - 4$\frac{1}{16}$	4⅜ - 4¼
US Dollar	3 - 2⅞	3⅛ - 3	3$\frac{5}{16}$ - 3$\frac{3}{16}$	3$\frac{5}{16}$ - 3$\frac{3}{16}$	3½ - 3⅜	3$\frac{13}{16}$ - 3$\frac{11}{16}$
Italian Lira	10 - 8	8⅝ - 8⅛	8⅝ - 8⅛	8⅝ - 8⅛	8½ - 8⅛	8⅜ - 8
Yen	2$\frac{9}{16}$ - 2½	2½ - 2$\frac{7}{16}$	2$\frac{7}{16}$ - 2⅜	2⅛ - 2$\frac{1}{16}$	1$\frac{15}{16}$ - 1⅞	1⅞ - 1$\frac{13}{16}$
Asian $Sing	3½ - 2½	3½ - 2½	3½ - 2½	4 - 3	4 - 3	4¼ - 3¼

Short term rates are call for the US Dollar and Yen, others: two days' notice.

■ **THREE MONTH PIBOR FUTURES** (MATIF) Paris interbank offered rate

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	94.26	94.25	+0.02	94.27	94.24	16,436	107,727
Jun	94.82	94.80	-0.01	94.84	94.78	7,045	51,667
Sep	95.21	95.21	+0.01	95.24	95.20	3,569	37,092
Dec	95.44	95.39	-0.03	95.44	95.38	1,168	24,535

■ **THREE MONTH EURODOLLAR** (LIFFE)* $1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	96.46	96.46	-	96.46	96.45	357	5062
Jun	96.12	96.11	-0.01	96.12	96.11	52	2117
Sep	95.79	95.78	-0.02	95.79	95.79	53	621
Dec	95.37	95.37	-0.02	95.37	95.37	50	177

■ **THREE MONTH EUROMARK FUTURES** (LIFFE)* DM1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	94.52	94.54	+0.03	94.55	94.50	29678	206415
Jun	95.05	95.03	-	95.07	95.00	21534	147113
Sep	95.43	95.42	+0.01	95.46	95.38	12255	108085
Dec	95.63	95.62	+0.01	95.66	95.60	6642	78189

■ **THREE MONTH EUROLIRA INT.RATE FUTURES** (LIFFE) L1000m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	91.83	91.91	+0.09	91.92	91.83	2025	50893
Jun	92.35	92.36	+0.04	92.38	92.31	640	23517
Sep	92.65	92.69	+0.07	92.69	92.64	883	22223
Dec	92.73	92.83	+0.07	92.83	92.77	635	3431

■ **THREE MONTH EURO SWISS FRANC FUTURES** (LIFFE) SFr1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	96.33	96.35	+0.03	96.35	96.32	2170	41252
Jun	96.57	96.57	+0.02	96.57	96.54	315	10108
Sep	96.65	96.67	+0.04	96.67	96.63	284	4100
Dec	96.65	96.66	+0.02	96.66	96.64	43	138

■ **THREE MONTH ECU FUTURES** (LIFFE) Ecu1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	94.23	94.22	+0.01	94.24	94.20	601	14214
Jun	94.72	94.73	+0.01	94.74	94.71	210	8512
Sep	95.10	95.09	-	95.10	95.08	460	3774
Dec	95.29	95.29	+0.03	95.30	95.28	305	835

* LIFFE futures traded on APT

■ **THREE MONTH EURODOLLAR** (IMM) $1m points of 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	96.45	96.45	-	96.46	96.45	56,297	410,272
Jun	96.10	96.11	-	96.12	96.10	51,116	314,900
Sep	95.77	95.78	-	95.79	95.77	47,734	242,291
Dec	95.36	95.36	-	95.38	95.36	19,087	158,604

■ **US TREASURY BILL FUTURES** (IMM) $1m per 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	96.75	96.77	-	96.78	96.75	1,120	23,418
Jun	96.49	96.50	+0.01	96.50	96.49	193	4,866
Sep	-	96.21	+0.01	-	-	8	222

All Open Interest figs. are for previous day

■ **EUROMARK OPTIONS** (LIFFE) DM1m points of 100%

Strike Price	CALLS Mar	Jun	Sep	PUTS Mar	Jun	Sep
9450	0.16	0.59	0.97	0.12	0.06	0.05
9475	0.07	0.38	0.75	0.28	0.10	0.08
9500	0.03	0.23	0.54	0.49	0.20	0.12

Est. vol. total, Calls 5668 Puts 5756. Previous day's open int., Calls 135151 Puts 60572

■ **EURO SWISS FRANC OPTIONS** (LIFFE) SFr 1m points of 100%

Strike Price	CALLS Mar	Jun	Sep	PUTS Mar	Jun	Sep
9625	0.17	0.39	0.51	0.07	0.07	0.09
9650	0.05	0.22	0.33	0.20	0.15	0.16
9675	0.02	0.10	0.19	0.42	0.28	0.27

Est. vol. total, Calls 9 Puts 0. Previous day's open int., Calls 1230 Puts 1660

UK INTEREST RATES

LONDON MONEY RATES

Dec 15	Over-night	7 days notice	One month	Three months	Six months	One year
Interbank Sterling	8 - 4	6⅜ - 6⅛	5⅞ - 5¾	5$\frac{7}{16}$ - 5$\frac{5}{16}$	5$\frac{5}{16}$ - 5$\frac{3}{16}$	5$\frac{3}{16}$ - 5$\frac{1}{16}$
Sterling CDs	-	-	5$\frac{13}{16}$ - 5$\frac{23}{32}$	5$\frac{13}{32}$ - 5¼	5⅛ - 5	5$\frac{1}{16}$ - 4$\frac{15}{16}$
Treasury Bills	-	-	5⅛ - 5$\frac{1}{16}$	5 - 4$\frac{15}{16}$	-	-
Bank Bills	-	-	5⅜ - 5¼	5$\frac{3}{16}$ - 5$\frac{1}{16}$	5$\frac{1}{16}$ - 5	-
Local authority deps.	5$\frac{3}{16}$ - 5$\frac{1}{16}$	5$\frac{13}{16}$ - 5$\frac{11}{16}$	5$\frac{3}{16}$ - 5$\frac{7}{16}$	5⅜ - 5¼	5⅛ - 5	5$\frac{1}{16}$ - 4$\frac{15}{16}$
Discount market deps.	7 - 4	5¼ - 5⅛	-	-	-	-

UK clearing bank base lending rate 5½ per cent from November 23, 1993

	Up to 1 month	1-3 month	3-6 months	6-9 months	9-12 months
Certs of Tax dep. (£100,000)	1¾	4¼	4	3¾	3¾

Certs of Tax dep. under £100,000 is 2¼pc. Deposits withdrawn for cash 1pc.
Ave. tender rate of discount 4.8863pc. ECGD fixed rate Stlg. Export Finance. Make up day November 30, 1993. Agreed rate for period Dec 26, 1993 to Jan 25, 1993, Schemes II & III 6.90pc. Reference rate for period Oct 30, 1993 to Nov 30, 1993, Schemes IV & V 5.816pc. Finance House Base Rate 6pc from Dec 1, 1993

■ **THREE MONTH STERLING FUTURES** (LIFFE) £500,000 points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	94.65	94.57	-0.07	94.66	94.60	10367	84148
Mar	94.95	94.84	-0.10	95.00	94.81	67121	105387
Jun	95.16	95.02	-0.11	95.19	94.98	30737	98582
Sep	95.20	95.07	-0.11	95.21	95.04	9651	83658

Traded on APT. All Open interest figs. are for previous day.

■ **SHORT STERLING OPTIONS** (LIFFE) £500,000 points of 100%

Strike Price	CALLS Dec	Mar	Jun	PUTS Dec	Mar	Jun
9450	0.07	0.39	0.61	0	0.06	0.09
9475	0	0.22	0.42	0.18	0.13	0.15
9500	0	0.10	0.26	0.43	0.26	0.24

Est. vol. total, Calls 9200 Puts 4291. Previous day's open int., Calls 178299 Puts 171398

BASE LENDING RATES

	%		%		%
Adam & Company	5.5	Duncan Lawrie	5.5	* Roxburghe Bank Ltd is no longer authorised as a banking institution.	8
Allied Trust Bank	5.5	Exeter Bank Limited	7	Royal Bk of Scotland	5.5
AIB Bank	5.5	Financial & Gen Bank	6	●Smith & Williamson Secs.	5.5
●Henry Ansbacher	5.5	●Robert Fleming & Co	5.5	Standard Chartered	5.5
Bank of Baroda	5.5	Girobank	5.5	TSB	5.5
Banco Bilbao Vizcaya	5.5	●Guinness Mahon	5.5	●United Bk of Kuwait	5.5
Bank of Cyprus	5.5	Habib Bank AG Zurich	5.5	Unity Trust Bank Plc	5.5
Bank of Ireland	5.5	●Hambros Bank	5.5	Western Trust	5.5
Bank of India	5.5	Heritable & Gen Inv Bk	5.5	Whiteaway Laidlaw	5.5
Bank of Scotland	5.5	●Hill Samuel	5.5	Wimbledon & Sth West	7
Barclays Bank	5.5	C. Hoare & Co	5.5	Yorkshire Bank	5.5
Brit Bk of Mid East	5.5	Hongkong & Shanghai	5.5		
●Brown Shipley	5.5	Julian Hodge Bank	5.5		
CL Bank Nederland	5.5	●Leopold Joseph & Sons	5.5		
Citibank NA	5.5	Lloyds Bank	5.5		
City Merchants Bank	5.5	Meghraj Bank Ltd	5.5		
Clydesdale Bank	5.5	Midland Bank	5.5		
The Co-operative Bank	5.5	* Mount Banking	6		
Coutts & Co	5.5	NatWestminster	5.5		
Credit Lyonnais	5.5	●Rea Brothers	5.5		
Cyprus Popular Bank	5.5				

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WORLD STOCK MARKETS

EUROPE

AUSTRIA (Dec 15 / Sch)

		+/-	High	Low	Yld	P/E
AuaAir	1,790	-20	2,000	1,290	2.8	—
Bkdust	1,200	—	1,200	859	0.8	—
CredPt	758	-10	825	409	0.8	—
EA Gen	4,150	-30	4,210	2,980	—	—
EVN	1,424	-19	1,465	890	1.3	—
Lenzing	1,020	-10	1,072	494	1.6	—
OeMv	859	-4	878	582	1.7	—
PerlZm	990	—	1,105	760	2.0	—
RadexH	424	-5	471	280	2.4	—
SteyrD	184	-2	220	148	3.3	—
VoitMg	317	-8	384	211	1.9	—
VoidBcA	721	-6	745	380	2.2	—
VaAir	570	—	579	440	1.4	—
Wienbg	3,850	-80	4,050	2,820	0.9	—

BELGIUM/LUXEMBOURG (Dec 15 / Frs.)

DENMARK (Dec 15 / Kr)

FINLAND (Dec 15 / Mks)

FRANCE (Dec 15 / Frs.)

GERMANY (Dec 15 / Dm.)

ITALY (Dec 15 / Lire)

NETHERLANDS (Dec 15 / Fls.)

NORWAY (Dec 15 / Kroner)

SPAIN (Dec 15 / Pts.)

SWEDEN (Dec 15 / Kronor)

SWITZERLAND (Dec 15 / Frs.)

PACIFIC

JAPAN (Dec 15 / Yen)

AUSTRALIA (Dec 15 / Aust$)

HONG KONG (Dec 15 / H.K.$)

MALAYSIA (Dec 15 / MYR)

SINGAPORE (Dec 15 / S$)

NORTH AMERICA

CANADA

TORONTO (Dec 15 / Can $)

4 pm close

MONTREAL (Dec 15 / Can $)

4 pm close

AFRICA

SOUTH AFRICA (Dec 15 / Rand)

Prices supplied by Telekurs

NOTES - Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. Highs/Lows are based on data from Jan 1 1993. # Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

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■ TOKYO - MOST ACTIVE STOCKS: Wednesday, December 15, 1993

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Toshiba	7.1m	702	+18	Fujitsu	3.3m	629	+7
Joyo Bank	5.5m	787	+7	Sony	3.2m	5,430	+120
Sumitomo Mt Mn	5.2m	847	+47	Skylark	3.1m	2,270	-10
Suzuki Motor	3.5m	1,040	+30	Mitsubishi Hvy	2.9m	629	-4
Jpn Sec Finance	3.4m	1,450	+50	NEC	2.8m	900	+17

INDICES

	Dec 15	Dec 14	Dec 13	1993 High		1993 Low	
Argentina							
General (29/12/77)	(u)	18426.7	18395.0	18489.88	10/12	12167.88	8/3
Australia							
All Ordinaries(1/1/80)	2089.9	2086.8	2094.5	2132.40	1/11	1495.80	13/1
All Mining(1/1/80)	987.9	973.8	967.5	993.80	14/12	684.70	13/1
Austria							
Credit Aktien(30/12/84)	418.81	419.89†	422.34	434.39	2/11	300.28	14/1
Traded Index(2/1/91)	1079.79	1089.71	1098.65	1098.65	13/12	712.06	15/1
Belgium							
BEL20 (1/1/91)	1428.59	1428.13	1431.37	1438.42	6/12	1125.46	4/1
Brazil							
Bovespa (29/12/83)	(u)	30485.0	29432.0	97300.00	26/6	714.72	4/1
Canada							
Metals Mnls†(1975)	(u)	3473.35	3551.97	3551.97	13/12	2743.31	21/1
Composite† (1975)	(u)	4244.40	4233.40	4307.70	8/12	3275.80	21/1
Portfolio§§ (4/1/83)	(u)	2041.29	2058.08	2068.08	13/12	1720.97	21/1
Chile							
IPGA Gen (31/12/80)	(u)	3504.8	3482.5	3594.80	14/12	2612.59	10/5
Denmark							
CopenhagenSE(3/1/83)	348.91	349.10	351.52	355.14	4/11	281.90	4/1
Finland							
HEX General(28/12/90)	1502.6	1519.1	1538.4	1607.70	3/11	843.19	22/1
France							
SBF 250 (31/12/90)	1434.01	1432.25	1449.16	1449.46	9/12	1114.19	28/1
CAC 40(31/12/87)	2152.83	2155.50	2196.31	2231.86	22/10	1772.21	29/1
Germany							
FAZ Aktien(31/12/58)	814.11	825.46	831.39	831.89	13/12	596.92	14/1
Commerzbank(1/12/53)	2329.7	2362.5	2382.5	2382.50	13/12	1694.30	14/1
DAX (30/12/87)	2110.70	2149.37	2172.75	2175.86	9/12	1516.50	13/1
Greece							
Athens SE(31/12/80)	933.90	936.50	923.05	944.44	13/8	667.72	5/1
Hong Kong							
Hang Seng(31/7/64)	9945.26	10021.48	10248.59	10248.59	13/12	5437.80	4/1
India							
BSE Sens.(1979)	3454.8	3401.9	3454.8	3454.80	13/12	2100.57	23/4
Indonesia							
Jakarta Comp.(10/8/82)	543.84	536.08	527.93	543.84	15/12	273.31	5/1
Ireland							
ISEQ Overall(4/1/88)	1838.07	1838.64	1836.63	1849.27	3/11	1191.19	11/1
Italy							
Banca Comm Ital (1972)	595.00	591.77	588.45	632.86	30/8	446.33	6/1
MIB General (4/1/93)	1306.0	1298.0	1293.6	1380.00	30/8	992.09	11/1
Japan							
Nikkei 225 (16/5/49)	17489.15	17308.73	17327.33	21148.11	13/9	16078.71	29/11
Nikkei 300 (1/10/82)	268.69	268.51	270.98	306.84	10/11	249.84	29/11
Topix (4/1/68)	1452.35	1451.01	1462.14	1698.67	3/9	1250.06	25/1
2nd Section (4/1/68)	1881.31	1878.98	1878.09	2384.97	7/6	1851.72	26/1
Malaysia							
KLSE Comp.(4/4/86)	1116.09	1092.66	1090.35	1116.09	15/12	614.28	13/1
Mexico							
IPC (Nov 1978)	(u)	2368.59	2411.61	2433.27	8/12	1504.15	25/2
Netherland							
CBS TtlRtnGen(End 83)	413.1	413.7	416.8	420.80	8/12	296.70	4/1
CBS All Shr (End 83)	267.8	268.1	270.1	272.70	8/12	198.80	13/1
New Zealand							
Cap. 40 (1/7/86)	2089.30	2087.54	2105.12	2283.59	2/11	1495.37	21/1
Norway							
Oslo SE(Ind)(2/1/83)	980.16	988.99	985.40	1038.73	18/11	669.93	27/1
Philippines							
Manila Comp (2/1/85)	2567.83	2583.49	2579.21	2583.49	14/12	1270.68	4/1
Portugal							
BTA (1977)	2598.3	2580.9	2580.5	2880.00	9/9	1608.20	14/1
Singapore							
SES All-S'pore(2/4/75)	597.77	596.21	598.55	598.55	13/12	384.10	13/1
South Africa							
JSE Gold (28/9/78)	2128.0¥	2153.0	2135.0	2153.00	14/12	775.00	5/1
JSE Ind. (28/9/78)	5175.0¥	5141.0	5109.0	5175.00	15/12	4333.00	19/4
South Korea							
KoreaCompEx(4/1/80)**	865.86	857.20	850.03	886.88	11/12	606.93	6/3
Spain							
Madrid SE (30/12/85)	305.07	305.22	308.46	310.28	22/10	215.80	4/1
Sweden							
AffarsvarldnGen (1/2/37)	1361.90	1350.30	1357.80	1435.19	4/11	879.10	28/1
Switzerland							
Swiss Bk Ind (31/12/58)	1243.28	1250.84	1252.29	1252.29	13/12	904.80	11/1
SBC General (1/4/87)	971.89	977.79	979.40	979.40	13/12	678.70	11/1
Taiwan							
Weighted Pr.(30/6/66)**	5161.80	5102.96	4929.81	5161.80	15/12	3098.43	8/1
Thailand							
Bangkok SET (30/4/75)	1519.08	1482.99	1485.17	1519.08	15/12	818.94	1/6
Turkey							
Istanbul Comp.(Jan 1986)	18583.2	18143.5	17345.2	18697.10	30/11	3956.53	1/1
WORLD							
MS Capital Int (1/1/70)§	588.7*	590.0	595.5	607.10	15/10	488.60	13/1
CROSS-BORDER							
Eurotrack 100(26/10/90)	1405.40	1408.84	1416.03	1418.86	9/12	1083.02	13/1
Euro Top-100 (26/6/90)	1179.07	1179.65	1185.49	1189.00	9/12	882.73	13/1
JCapelDgns (31/12/86)	(u)	333.23	337.44	337.44	13/12	188.92	4/1
Barings Emerg.(7/1/92)	155.13	154.20	153.48	155.13	15/12	99.81	4/2

■ CAC-40 STOCK INDEX FUTURES (MATIF)

	Open	Sett Price	Change	High	Low	Est. vol.	Open Int.
Dec	2187.0	2177.0	+5.0	2191.0	2150.0	26,573	37,066
Jan	2201.5	2188.5	+5.0	2202.0	2188.0	3,007	11,339
Feb	2213.5	2200.5	+5.0	2213.5	2213.5	1	150
Mar	2222.0	2211.5	+5.0	2223.0	2187.0	1,348	20,266

Open interest figures for previous day.

** Sat Dec 11: Taiwan Weighted Price 4751.58, Korea Comp Ex 866.88. Base values of all indices are 100 except Australia All Ordinary and Mining - 500; Austria Traded, BEL20, HEX Gen., MIB Gen., SBF250, CAC40, Euro Top-100, ISEQ Overall; Toronto Comp./Metals & Minerals and DAX - all 1,000; JSE Gold - 256.7; JSE 26 Industrials - 264.3; NYSE All Common - 50 and Standard and Poor's - 10. §§ Montreal. † Toronto. (c) Closed. (u) Unavailable. ¥ Subject to official recalculation.

US INDICES

Dow Jones	Dec 14	Dec 13	Dec 10	1993 High	1993 Low	Since compilation High	Since compilation Low
Industrials	3742.63	3764.43	3740.67	3764.43 (13/12)	3241.95 (20/1)	3764.43 (13/12/93)	41.22 (2/7/32)
Home Bonds	111.06	111.11	111.29	111.29 (10/12)	103.49 (11/1)	111.29 (10/12/93)	54.99 (1/10/81)
Transport	1766.61	1771.95	1763.83	1771.95 (13/12)	1453.84 (4/1)	1771.95 (13/12/93)	12.32 (8/7/32)
Utilities	223.90	225.28	224.76	256.46 (31/8)	217.14 (8/1)	256.46 (31/8/93)	10.50 (8/4/32)

DJ Ind. Day's high 3785.94 (3780.64) Low 3726.70 (3711.93) (Theoretical♦)
Day's high 3769.74 (3766.86) Low 3741.51 (3732.29) (Actual♦)

Standard and Poors	Dec 14	Dec 13	Dec 10	1993 High	1993 Low	Since compilation High	Since compilation Low
Composite ‡	463.06	465.70	463.93	469.50 (15/10)	429.05 (8/1)	469.50 (15/10/93)	4.40 (1/6/32)
Industrials¥	535.17	538.47	536.57	540.25 (16/11)	498.48 (26/4)	540.25 (16/11/93)	3.62 (21/6/32)
Financial	43.95	44.25	44.15	48.40 (28/9)	39.89 (8/1)	48.40 (28/9/93)	8.64 (1/10/74)
NYSE Comp.	258.19	257.59	256.93	260.48 (15/10)	230.21 (8/1)	260.48 (15/10/93)	4.46 (25/4/42)
Amex Mkt Val	461.83	464.77	466.28	484.28 (2/11)	395.84 (8/1)	484.28 (2/11/93)	29.31 (9/12/72)
NASDAQ Comp	751.47	759.72	760.74	787.42 (15/10)	645.87 (26/4)	787.42 (15/10/93)	54.87 (31/10/72)

■ RATIOS

	Dec 10	Dec 3	Nov 26	Year ago
Dow Jones Ind. Div. Yield	2.67	2.70	2.71	3.12
	Dec 8	Dec 1	Nov 24	Year ago
S & P Ind. Div. yield	2.39	2.41	2.40	2.85
S & P Ind. P/E ratio	27.41	27.08	27.14	27.71

■ STANDARD AND POORS 500 INDEX FUTURES $500 times index

	Open	Latest	Change	High	Low	Est. vol.	Open Int.
Dec	463.00	462.65	+0.05	463.05	462.35	22,709	67,328
Mar	463.50	463.70	+0.05	464.15	463.40	69,923	135,902
Jun	465.05	464.75	+0.10	465.05	464.55	236	2,447
Sep	-	465.75	-	466.25	465.75	4	644

Open interest figures are for previous day.

■ NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Close price	Change on day
Simon Prop	7,162,800	22½	—
Circ City	4,394,900	20¾	-½
Grupo Tel	4,089,300	63¼	—
Telefonos	2,920,800	60¼	-1¼
Glaxo	2,518,800	20½	+⅛
Grupo Dep	2,439,300	18¾	—
IBM	2,430,800	56	-1⅝
US Surgical	2,422,900	23¼	+¾
Wal-Mart	2,297,100	26⅝	-⅜
Grupo Mex	2,275,400	18¾	—

■ TRADING ACTIVITY

● Volume (million)

	Dec 14	Dec 13	Dec 10
New York SE	273.896	255.050	238.009
Amex	18.645	18.910	15.486
NASDAQ	(u)	308.249	308.249
NYSE			
Issues Traded	2,711	2,703	2,707
Rises	694	969	955
Falls	1,381	1,053	1,096
Unchanged	636	681	656
New Highs	60	81	69
New Lows	61	49	49

† Correction. * Calculated at 15.00 GMT. ● Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ♦ The DJ Ind. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. *(The figures in brackets are previous day's).*

4 pm close December 15

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

1993 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Chng Prev. Close
14⅝	11½	AAR	0.48	3.3731		316	u15	14	14⅝	+⅝
28⅞	12¾	A L Labs A	0.18	1.4	30	326	13½	13¼	13¼	-⅛
67¼	54⅝	AMP	1.60	2.7	21	2017	60¾	60⅛	60⅜	+⅛
72¾	55½	AMR			52	2902	67	66½	66⅝	
3⅞	1¾	ARX			13	395	3½	3⅜	3⅜	
51½	29⅞	ASA	2.00	4.1	32	681	49½	48⅝	49¼	-⅛
30¼	22⅝	Abbtl	0.88	2.4	17	7610	28⅞	28¼	28¾	-⅛
12⅝	8¼	Abitibi Pr	0.50	4.3	7	45	11⅝	11⅝	11⅝	+⅛
15⅝	8¼	Acpincoln			20	125	12½	11⅞	12	-⅛
36	25½	ACE Ltd	0.40	1.4	5	1084	29¼	28⅞	29	-⅛
12¼	10¼	ACM Gvt In x	1.08	9.2		334	12	11⅞	11⅞	-⅛
10⅛	9⅛	ACM GvOpp x	1.59	16.6		77	9⅝	9⅝	9⅝	-⅛
10⅞	8¾	ACM Gst Sp x	0.95	9.5		182	10¼	10⅛	10½	
12	10½	ACM Gst Se x	1.09	9.2		152	11⅞	11¾	11⅞	+⅛
12¼	9⅝	ACM Man r	2.56	23.3		187	11	10⅞	11	
9⅜	8⅝	ACM MangdI x	0.72	8.0		27	9⅛	9	9	
12⅝	7¾	AcmeClv	0.44	4.6	12	30	9⅝	9⅜	9⅝	+¼
11⅞	6⅜	Acme Elect			38	37	8⅝	8½	8½	-⅛
27⅞	18⅞	Acordia	0.44	1.9	13	10	23⅜	22⅝	23⅜	
18	10⅞	Acuson			56	372	12½	12⅛	12⅜	+¼
21¾	17¾	Adams Exp	0.52	2.9	0	125	18⅛	17⅞	18	+⅛
68¼	45½	Ad Micro	3.00	6.3		270	47⅝	47¼	47¾	
32¾	17¾	AdvMic	3.00	16.7	6	3477	18⅛	17⅞	18	
8⅛	5½	Advest Grp	0.16	2.4	11	153	6⅝	6⅜	6⅝	+⅛
24¼	14¾	Advo Inc	0.08	0.5	80	143	16⅞	16⅝	16⅞	
55¼	41⅛	Aegon ADR	1.23	2.3	11	176	53⅞	52¾	53¼	-¼
68¼	43⅞	Aetnal	2.76	4.6	25	1147	60⅝	59⅜	59⅜	-1¼
34	24¾	Aflac	0.40	1.5	12	2238	28⅛	26⅞	26⅞	-1
22⅛	16¾	Ahmnsn	0.88	4.6	8	1314	19½	18⅞	19⅛	-⅜
7¾	3⅝	Aileen Inc			5	33	4⅛	4⅛	4⅛	-⅛
48½	37½	AirPrC	0.92	2.0	25	1683	45⅞	45⅜	45⅝	-⅜
36¼	18⅛	Airbne Frt	0.30	0.9	27	565	34¼	34	34⅛	+⅛
25½	9⅝	Airgas Inc			37	653	19⅜	18½	19⅛	+½
16⅛	10½	Airlease	1.72	11.0	11	37	15¾	15½	15⅝	
108½	101	AlaPw8.16	8.16	7.8		3	104	104	104	
107	102½	Alab 8.28C	7.28	7.1		z20	102⅞	102⅞	102⅞	
18	12¼	Alaska Air	0.20	1.4	3	980	14⅝	14¼	14⅜	-⅛
19¼	14¾	Albany Int	0.35	1.9	45	614	18⅛	17⅞	18	-⅛
28¼	20⅛	AlbCuB	0.28	1.2	15	41	22½	22⅛	22½	+¼
25¼	17	AlCulvr A	0.26	1.3	14	155	20	19⅝	19¾	-¼
29¾	23⅛	Albtsn	0.36	1.4	20	8685	25⅞	25½	25½	-½
22¼	16⅞	AlcoAl	0.30	1.4	32	2114	21½	21⅛	21⅛	-½
53¼	35¾	AlcoSt	1.00	1.9138		2883	52⅞	52¾	52¾	
30½	19⅝	AlexBrown	0.60	2.4	5	530	24⅞	24⅝	24⅝	-¼
28⅞	17⅞	AlexAl	1.00	5.5	32	1165	18⅜	18⅛	18⅛	-¼
24¼	17	Allegh Lud	0.48	2.1	23	309	23	23	22⅞	
28½	23½	AllegP	1.64	6.2	13	1255	26⅜	26¼	26⅝	+⅛
46	29	Allen Gp	1.75	4.0		11	43½	43½	43½	
29¼	13	Allen Con	0.16	1.0	14	9296	17	15¾	15⅞	-1⅜
28⅜	20¾	Allergan	0.40	1.8	13	931	21⅞	21⅝	21¾	+⅛
27⅝	16¾	Allmca Cap	1.60	6.2	27	108	26⅛	25¾	25¾	-⅛
10⅛	8⅞	Allmca Gl	0.18	1.9		456	9¾	9½	9½	-¼
26½	16¾	Ald Irish	0.89	3.6	15	2	25	25	25	+⅛
76⅛	57½	AldSig	1.16	1.5	16	1637	75⅞	74⅞	75⅛	
11⅜	9⅞	AlstMunTr	0.78	6.9		156	u11⅜	11⅛	11¼	
9⅞	7½	AlstIncOp	0.63	7.3		401	8¾	8½	8⅝	
10½	8⅛	AlstMnInc	0.72	7.7		136	9⅝	9⅜	9⅜	
10¼	8⅞	AlstMnInc	0.60	5.8		21	10⅛	10	10⅛	
32¼	23	Allied Crp	0.88	3.2	19	1300	27½	27	27⅛	
7¾	3⅞	Allwaste			16	354	4⅝	4½	4⅝	+⅛
20¾	17½	Alumax				2297	u20¾	20⅛	20¾	
78⅜	58	Alcoa	1.60	2.3784		4135	72⅞	70¾	70⅝	-1¾
47⅛	19¼	Alza Cp A			28	3993	26⅛	25¼	25⅜	-⅞
12¼	10⅞	AmGovInc	0.96	8.6		468	11⅛	d10⅞	11⅛	+⅛
8	5¾	Am Precis	0.24	3.7	29	101	6⅝	6½	6½	-⅛
10½	6	AmaxGd	0.08	1.2	7	4083	7⅛	6⅞	6⅞	-¼
22½	15½	Amcast Ind	0.48	2.3	14	88	21	20⅞	21	
56¼	43¾	AmrdaHs	0.60	1.4	27	2296	43¾	d43½	43¾	-½
10¼	9½	Am Adj R x	0.45	4.6		964	9⅞	9¾	9⅞	+⅛
30⅜	14¾	Am Barrick	0.08	0.3	34	5314	28¼	27¾	28¼	+⅜
40⅝	28½	AmBrnd	1.97	5.9	9	1801	33⅞	33¼	33⅜	+⅛

1993 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Chng Prev. Close
49¼	35½	BncOne	1.24	3.3	13	4559	38	37⅝	37½	-¼
23½	11⅝	BancFlrda			8	95	20¾	20⅝	20⅞	+⅛
27¼	20⅜	BancoBil V	1.14	5.1	8	305	22⅝	22⅛	22¼	-½
15½	11	BancoCentH	0.79	6.7	5	82	12	11¾	11¾	-¼
53⅞	40	BcpHawaii	1.38	3.4	9	1016	40⅜	40⅛	40⅛	-⅜
2⅞	1⅛	BancTexas			34	345	1½	1⅜	1⅜	
60¼	44¾	Bandag	0.70	1.3	18	177	54¼	53⅞	54⅛	
55½	40⅜	BankAm	1.40	3.1	9	7265	45⅜	44⅞	45	-⅛
91	71	Bank Bost	5.48	6.3		2	87¼	87¼	87¼	
29⅛	20¼	BkBstn	0.40	1.8	10	2405	22⅜	21⅞	22¼	+¼
49⅞	40⅛	Bk Bostn P	3.00	6.3		3	47⅞	47⅞	47⅞	+⅛
62½	50⅝	BankNY	1.80	3.2	9	2314	56	55⅝	55⅝	+⅛
50	43½	BankAm A	3.25	6.6		25	49⅛	48¾	49	
92	78	BankAm B	6.00	6.8		9	87¾	87¾	87¾	
83½	65¾	BnkTst	3.12	4.0	6	1758	78¼	77⅛	77⅛	-¾
39	22½	Bclays	0.97	2.7106		13	36¾	36¼	36¼	-¼
35¼	20½	Bard (C R)	0.56	2.3	29	3535	24¾	24	24⅛	+½
34½	29⅞	Barnes Grp	1.40	4.3	39	11	32½	32¼	32½	+⅛
50⅜	37⅞	BarnBk	1.44	3.6	13	793	40⅞	40⅜	40⅞	-⅜
8¾	5⅛	Barold	0.20	2.5	35	6115	8⅛	7⅞	8	+⅛
10⅞	4⅞	BattMt	0.05	0.5146		4119	10⅜	10	10¼	-¼
57½	43	Bausch	0.88	1.7	18	1157	51⅞	51¼	51¼	-½
32¾	20	Baxter	1.00	4.3	12	10030	23¼	22⅞	23	-¼
32	24⅜	Bay St Gas	1.42	4.8	16	87	29½	29⅛	29½	+¼
25	22	Bd Tr 1838	1.72	7.5		13	22⅞	22⅞	22⅞	
26	15	Bear Strns	0.60	2.7	7	1211	22¾	22⅛	22¼	-¼
50¼	45½	BearStPfA	2.75	5.6		3	49¼	49¼	49½	
31	20½	Bearings	0.64	2.3	20	43	28⅛	27⅜	27⅜	-¾
28¼	19¾	Beckman In	0.35	1.4	15	952	26⅛	25⅜	26	+½

1993 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Chng Prev. Close
40¾	32⅝	BectnD	0.74	2.1	13	1804	35⅝	35¼	35½	
35	25⅝	Belding Hy	0.84	2.1	34	32	30⅝	30⅛	30¼	
69	49⅝	BellAtl	2.68	4.4	17	3976	60⅞	59¾	60⅝	-¼
18¾	8⅞	Bell In	0.40	2.4	19	16	17	16⅞	17	
63¾	50⅜	BellSth	2.76	4.8	17	2803	58	57⅛	57⅛	-⅞
49⅜	38⅜	Belo A	0.56	1.1	22	145	48	47	48¾	+1¾
27⅛	18⅞	Bemis	0.50	2.2	26	334	22⅝	22	22⅜	+⅜
98	54	Benef 4.3P	4.30	6.5		4	66¼	66	66¼	
81	62½	Benef	3.04	4.0	12	754	77⅛	76⅝	76¾	-⅛
32½	18⅞	Benetton A	0.42	1.4	17	2100	29½	29⅛	29⅛	-½
14¼	8⅛	Berry Petr	0.40	4.1	69	201	9¾	9⅝	9¾	
62⅞	21½	Best Buy			31	5332	43½	42	42⅞	+1⅜
29⅜	25¾	Beth St 2.	2.50	9.4		98	26⅝	26⅜	26⅝	+¼
57¾	50¾	Bethlsm Pf	5.00	9.7		38	51⅝	51⅛	51½	-¼
20⅞	12⅞	BethSt	0.40	2.2	15	4661	18⅛	17⅝	18⅛	
62⅞	40	Betz L	1.40	3.3	17	1105	43¾	42¾	43	-⅛
14¾	9¼	BevEnt			88	3741	13⅛	12⅞	13¼	+⅜
37⅞	15¾	Biocraft	0.10	0.5	32	508	23¼	21	21	-2¾
27¾	20¾	Birmingm S	0.40	1.7	51	289	24⅛	23¼	23⅞	-¼
22¾	16⅝	BlDeck	0.40	2.0	26	3145	20⅛	19⅝	19⅝	-⅞
28¾	21⅞	Black H PL	1.28	5.5	13	88	23½	22⅞	23⅛	-⅛
11	10⅛	BlckrckAdv x	0.82	7.8		94	10¾	10⅝	10⅝	-⅛
9½	7¾	BlckrckInc x	0.85	10.8		1538	7⅞	d7¾	7⅞	+⅛
10½	10	BlckrckTgt x	0.80	8.0		380	10⅛	d10	10	
55	31⅞	Block	1.12	2.7	24	1343	41⅝	41¼	41⅝	+⅜
34¼	15⅞	Blockb	0.10	0.3	31	6155	31⅜	30¾	30¾	-⅜
8⅝	7⅝	Blue Chip	0.80	10.2		191	7⅞	7¾	7⅞	
20⅜	9¼	BMC Ind			12	45	18¾	18½	18½	-¼
47½	39⅜	Boeing	1.00	2.3	11	20850	u43	40⅞	42¾	+1⅞
27⅛	19⅞	BoiseC	0.60	2.6	7	806	23¼	22⅞	23	+⅛
14¾	4¼	Bolt B & N	0.05	0.5	5	818	13	12⅝	12¾	-⅛
17⅛	8¼	Bordn Chm	0.48	4.8	89	508	9¾	9⅝	9¾	
24⅛	12⅝	Bordn Ch U	1.24	7.8	15	883	16⅛	15⅝	16	
29⅛	14⅜	Borden	0.60	3.2	29	11098	18⅞	18	18⅝	+⅞
21⅝	16⅞	Bostn Celt	1.25	6.8	11	21	18⅝	18¼	18¼	-⅜
107	100⅝	Bostn Ed 8	8.88	8.7		z100	101	101	102	
24⅝	18	Bowatr	0.60	2.5	9	2640	23¾	23⅜	23¾	
20⅞	13⅜	Brazil Fnd	0.27	1.5		338	18	17⅞	17¾	-⅛
39⅞	32⅛	BRE Prop	2.40	7.0	8	188	34½	34⅛	34⅛	-⅛
89½	46¾	BrigSt	1.76	2.1	15	388	82	81	82¾	+1⅝
46¼	27.30	Brinkerint			41	609	45⅜	45	45⅛	+⅛
67¼	50⅞	BrMySq	2.92	5.0	18	9735	58⅛	57¾	58⅜	+⅞
67⅜	40	Br Air x	1.18	1.8	19	439	65⅞	65⅛	65⅜	+1
53¾	40⅜	Brit Gas	2.44	4.6	13	209	53½	53	53¼	+½
64⅝	42⅞	BP	1.86	3.2	18	9789	59⅛	58⅞	58⅞	+⅛
32	23⅞	BP Prudhoe	2.00	7.9	8	273	25⅞	25¼	25⅜	-¼
20⅛	8⅝	BSteel	0.19	1.0	19	1005	19⅝	19⅛	19⅛	-¼
72	57½	BT	3.57	5.1	18	24210	70½	70⅛	70⅛	
28	21½	BklynU	1.32	4.9	15	258	27	26⅞	27	+¼
35¾	28⅜	BrwnGp	1.60	4.7	17	259	34½	34	34	-½
9⅞	6⅜	BrwnSh	0.32	3.9	6	66	8¼	7⅞	8⅛	+⅜
88⅞	73	BrnFrm	2.84	3.3	14	946	87	86⅞	86⅝	+⅞
28⅝	20⅞	BrFerr	0.68	2.6	22	2792	26⅝	26¼	26⅜	-⅛
4¾	3⅛	BRT			8	38	4¼	4⅛	4¼	+⅛
18½	12½	Brnswk	0.44	2.4	37	5734	u18½	18⅛	18⅛	-⅛
17½	11	Brush Well	0.20	1.5	41	119	13⅛	13	13	-⅛
41⅝	28¾	Buckeye Pt	2.60	6.9	10	28	37⅞	37½	37⅞	+⅛
16⅝	14⅞	Bunker Hil	1.20	7.8	0	50	15⅝	15⅛	15⅜	+¼
17⅞	13¾	Burger K I	1.61	9.9	18	32	16⅝	16¼	16¼	-¼
24¾	13	Burl Coat			22	307	24⅛	23⅞	23⅞	-⅛
58⅞	42	BurlN	1.20	2.1	18	3979	57⅞	56⅝	57⅛	+⅝
54	36½	Burlin Resc	0.55	1.3	17	6185	41⅝	40¾	41	-⅛
20⅞	15¾	Burnham Pc	1.40	8.0	27	1253	17¾	17½	17½	-⅜

- C -

1993 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Chng Prev. Close
32	21¾	CBI	0.48	1.6	31	1233	30⅞	29¼	30⅝	
326½	186¼	CBS	2.00	0.7	15	227	298½	296	297⅛	+⅛

1993 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Chng Prev. Close
39¾	16½	CUC Intl			44	2505	32¼	30½	32¼	+1⅝
19½	13½	Culbro	0.80	4.6191		5	17¼	17⅛	17¼	+⅛
70	53	CumminEn3.5	3.50	5.1		101	69½	68¾	68¾	-1⅞
54⅞	37½	CumminEn	0.50	1.0	11	3389	53	51½	51½	-2¼
13⅞	12½	Current In	0.96	7.3	14	67	13⅛	12⅞	13⅛	+⅛
40¼	31⅛	CrtsWr	1.00	3.1	10	2	32⅜	32⅞	32⅜	
11½	7⅞	CV Reit	1.00	10.4	9	17	9⅝	9½	9⅝	+⅛
11⅞	6⅛	Cycare Sys			38	53	9	8¾	8¾	-⅛
18¾	8⅞	CyprSm			38	572	12¾	12⅝	12¾	
27⅝	21¼	CypAmx	0.80	3.3	9	5693	25⅜	24⅞	24⅞	-1⅛

- D -

1993 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Chng Prev. Close
21⅞	18½	DPL Holdg	1.12	5.8	13	1234	19¼	19	19¼	+⅛
19	12	Dallas Semi			15	199	13⅞	13⅝	13¾	
59⅞	44	Dana	1.60	2.9	22	988	56⅜	55½	55½	-⅛
39¼	24⅛	Danaher Co	0.12	0.3	23	757	37½	37¼	37⅜	-⅛
15⅞	10⅝	Daniel Ind	0.18	1.4	30	146	13	12⅞	12⅞	-⅛
2⅝	⅞	Data Desig			2	198	1⅛	1⅛	1⅛	-⅛
13⅞	7⅞	DataGn			5	1023	9⅜	9	9	-⅜
8¼	3⅜	Datapoint			5	43	6½	6⅜	6⅜	-⅛
7⅜	5⅜	Davis W&W	0.20	3.3	51	7	6⅛	5⅞	6⅛	+⅛
85	62⅝	DaytnH	1.60	2.3	15	1304	70¼	68⅝	69½	+¼
104½	99	DytnPL7.7	7.70	7.5		250	102½	102½	102½	
10¾	6⅞	De Soto	0.14	1.7	33	19	8⅜	8¼	8¼	
30¼	23⅛	Dean Foods	0.64	2.1	18	488	u30¾	30⅛	30½	+⅛
46½	30⅝	DeanWD	0.40	1.0	11	5249	38⅛	37⅝	38⅛	-⅝
9⅞	8⅝	DeanWGv x	0.79	9.0		549	8⅞	8¾	8¾	
78⅜	42⅞	Deere	2.00	2.8	29	3184	71½	69⅞	71⅛	+1
2⅝	⅝	Del Val Fn			0	289	1⅛	1	1⅛	
25⅞	21⅞	DelmPL	1.54	6.6	12	634	23⅜	23⅛	23¼	-⅛
68¾	45¾	DltaAir	0.20	0.4	9	1519	58½	57⅜	57	-½
16¼	10¼	Delta Wdsd	0.40	3.8	12	128	10¾	10½	10⅝	-⅛
3½	1⅞	Deltona			1	29	2⅛	2⅛	2⅛	-⅛
47¾	31⅞	Deluxe	1.44	4.1	19	1977	35⅜	35⅛	36⅛	-⅛
27⅞	25⅝	DetrEd2.38	2.28	8.9		2	25¾	25¾	25¾	
102	93	DetrEd7.45	7.45	7.5		1	99¾	99	99¾	
106	95¾	DetrEd7.68	7.68	7.7		1	100½	99¾	99¾	
108	101¼	DetrEd9.32	9.32	9.1		5	102½	102½	102½	
105	105	DtrEd9.72	9.72	9.3		2	u105	d105	105	
37⅛	30⅜	DetrEd	2.06	6.6	6	797	31¾	30¾	31⅛	+⅛
28⅞	20⅞	Dexter Crp	0.88	3.9	15	242	22¾	22½	22½	-⅜
30¼	17⅛	Diag Prods	0.40	2.2	15	101	18	17⅞	17⅞	
44½	35⅞	DialDel	1.12	2.9	40	2789	38½	38	38⅛	-½
13⅞	9⅛	Dial Reit	0.88	9.0	69	197	9⅞	9⅝	9¾	-⅛
27⅜	17	Diamond Sh	0.52	2.2	28	617	24⅞	24	24	-¾
12	3.80	Diana Corp			57	50	7	6¾	6⅞	
61⅝	39	Diebold	1.20	2.1	24	230	58¼	58½	58½	-⅛
19⅞	12⅜	DigitlC			2	202	18¼	18⅝	18¼	
48¾	32¾	DigitE			50	2031	35⅝	35¼	35½	+⅜
52⅞	33⅛	Dillrd	0.08	0.2	17	7051	37½	36⅝	36¾	-¾
9⅛	4½	Dime Sv NY			36	860	8	7¾	7⅞	
59	36	Disney	0.25	0.6	34	6907	42⅜	42	42¼	+⅛
37⅞	25⅞	DoleFd	0.40	1.4	22	593	28	27½	27⅞	+¼
49⅝	38⅜	DomRes	2.54	5.6	13	758	45	44⅝	45	-⅛
6⅞	3¼	Domtar Inc	0.25	3.9	8	46	6⅝	6⅜	6⅜	-⅛
43⅞	33¼	Donaldson	0.44	1.1	19	56	41⅞	41⅛	41⅜	+⅜
32⅞	26⅛	Donnly	0.56	1.9	26	1733	30⅜	29⅞	30	-⅛
61⅞	45	Dover	0.92	1.5	23	368	61⅝	61¼	61¼	-¼
62	49	Dow Ch	2.60	4.4	37	4825	59½	59	59⅛	-⅜
39	25¾	DowJns	0.80	2.2	27	1629	37¼	36⅜	36⅜	-⅜
27¾	14¼	Downey S&L	0.36	1.8	9	275	19⅝	19⅛	19⅝	+⅝
102¾	98	DPL 7.375	7.38	7.4		1	100	99	100	
37	31⅞	DQE	1.68	5.1	12	315	33⅜	33¼	33⅛	
25	14¼	DrPep 7Up			20	2478	23⅝	22⅞	23⅝	+⅝
12½	8½	Dravo	0.82	5.2	24	124	12	11⅞	12	+⅛
25⅜	17¼	Dresser	0.60	2.9	22	3605	20⅜	20¼	20⅜	
47½	35¾	Dreyfus	0.76	1.7	16	4203	45⅜	44¾	44¾	-½
11	9⅞	Drius Fd S x	0.78	7.6		484	10⅜	10⅛	10¼	-⅛
12⅛	10	Drius St G x	0.90	8.8		190	10⅜	10¼	10¼	

1993 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Chng Prev. Close
100¼	43¼	Gen Mt 3.7	3.75	3.8		6	100⅛	100⅛	99⅞	
34¾	25¾	GenPUt	1.70	5.7	15	980	29⅜	29½	29⅝	
133¾	107	GenRe	1.88	1.7	13	1871	110	108	108	-¾
36¾	30	GenSig	0.90	2.6	75	1115	35	34½	34⅝	-⅜
50	31¼	Genentech			124	1128	48⅝	47¾	48⅝	+⅛
11½	5⅛	Genesco			179	687	5⅞	6⅝	5⅞	+⅛
18½	9⅝	Geneva Stl			20	338	17¼	16⅝	16¾	-½
6⅛	2⅜	Genrad Inc			2	231	6⅜	6⅛	5¼	-⅛
39	32⅞	GenuPt	1.06	2.9	17	1258	36¾	36⅜	36½	-¼
0.11		GEO Intl			0	345	s0.11	0.08		
29	25½	GrgiaP2.5	2.50	9.8		15	26	d25½	25½	
28⅛	25½	GrgiaADJA	1.73	6.7		6	25¾	25¼	25¾	
23½	18½	Grgia Gll			23	2080	22⅞	22½	22¾	
75	55	GrgiaP	1.60	2.2	47	1628	71⅞	71	71¼	+⅛
27	24¾	GrgiaP Pf	1.56	6.2		8	25¼	25⅛	25⅜	
26	24¾	Grgia Pwr	1.58	6.2		2	25⅝	25⅝	25⅝	
103½	97½	GrgiaP7.8	7.80	7.8		3	101½	100½	100	
105	94	GrgiaP7.72	7.72	7.6		4	101	101	101	
28	25½	GrgiaP2.43	2.43	9.5		4	25⅝	25⅝	25⅝	
32½	24⅛	GerbPr	0.88	3.0	15	1073	28½	27½	28⅝	+⅞
14¾	10⅝	Gerber Scl	0.24	1.7	36	196	14¼	14	14¼	+⅛
13¾	10⅛	Germany Fd	0.36	3.2		234	11¾	11½	11¾	+⅛
18½	10	Getty Petr	0.08	0.5	37	186	13¾	13⅛	13⅛	
12⅛	7⅝	Glant Grp			16	6	10⅛	10⅝	10⅝	-⅛
13⅝	5⅛	Giant Inds	0.30	2.9	7	69	10⅜	10¼	10¼	
63¾	47⅞	Gillte	0.84	1.4	23	6558	58⅞	58⅛	58⅛	
5¾	1⅝	Glamo Grp			0	602	2⅛	1⅞	2	+⅛
24⅝	14¾	Glaxo	0.86	4.2	17	18650	20⅞	20⅝	20⅝	-⅛
18⅛	11½	Gleason Co	0.40	2.7	3	10	14⅞	14½	14⅞	+⅛
7⅞	7	Global Gov	0.64	8.8		1296	7½	7¼	7¼	-⅛
10	8¼	Global Inc	0.82	8.7		24	9½	9⅜	9⅜	
5⅝	2½	Global Mar			12	12309	3⅜	3½	3½	-⅛
8¾	7⅝	Global Yld x	0.64	8.0		434	8	7⅞	8	+⅛
50⅜	37⅛	GWstFn	0.30	0.8	8	1465	38⅞	38	38	-⅛
54¾	40¾	Gdrich	2.20	5.3	29	400	42	41½	41⅝	-⅛
63½	47¾	Goodrc 3.5	3.50	6.9		2	50½	50½	50½	
47¼	32¾	Gdyear	0.60	1.4	14	6833	46	43¾	44	-2¼
10⅝	6⅛	Gottschalk			8	48	8⅞	8⅝	8⅞	+⅛
41¼	34⅞	GraceWR	1.40	3.5	52	1201	39⅞	39	39⅞	+⅛
66¾	51⅛	GrngrW	0.72	1.3	20	911	58	57¼	57¼	-⅞
35	22½	GtAPT	0.80	2.8	86	317	28¾	28⅜	28⅝	+⅛
15	8⅞	Great G Eu	0.24	1.8		341	13⅞	13½	13⅝	
84	64½	Gt Lakes C	0.38	0.5	20	3058	75⅞	75	75	-⅜
68½	36¼	Gt Nth Iro	2.80	6.4	10	15	44	43½	44	+½
20⅞	15⅛	GtWFin	0.92	4.8	34	1057	19⅞	19⅛	19⅛	-⅛
36⅝	30⅞	Green Mt P	2.12	6.7	14	11	31½	31½	31½	-⅛
62½	23¼	Green Tree	0.36	0.8	14	2346	47⅝	46	47⅛	-½
18⅛	12½	GrainerEng	0.24	1.8	14	88	13⅛	13	13	
17⅞	12¼	Grow	0.28	1.8	20	258	16⅛	15⅞	15⅝	-⅜
10⅝	7½	Growth Spn	0.15	1.5		749	9⅝	9⅝	9¾	
41⅞	24⅛	Grumn	1.20	3.0	10	456	40⅛	39⅝	39¾	+⅛
27½	15½	GTrbADR				3468	26⅛	25½	25⅛	+⅜
15¾	10½	Guardsman	0.32	2.2	31	68	14½	14⅛	14½	
38	18⅞	Guilford M	0.60	2.6	14	327	23⅛	22½	22¾	-⅝
74	64	GulfSM.4	4.40	6.0		210	u74	73⅝	73¾	
78½	71⅞	GulfSM5.1	5.06	6.5		210	78	78	78	
76	69½	GulfSM.5	4.52	5.9		4	u76	76	76	
104	100¼	GulfSt8.8	8.80	8.6		z50	102½	102½	102½	
53	50	GulfStADR	3.60	7.0		36	51½	51	51⅜	
19½	16	GulfSU			24	1206	u19⅝	19⅜	19½	+⅛

- H -

1993 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Chng Prev. Close
20⅛	15⅞	H&Q Hcare	0.98	5.6		93	17⅜	17⅛	17¼	+⅛
67⅞	36	HK Tel ADR	1.82	3.1	26	2168	59½	58⅛	59½	+⅝
16⅛	11⅞	HRE Props	1.06	7.6	17	3	14⅛	14⅛	14⅛	-¼
⅜	0.15	Hadson				12800	0.18	d0.15	⅛	
44	25¾	Halbtn	1.00	3.3	11	4676	30¾	30	30¼	+⅛
8¾	4⅞	Hallwood			20	128	5⅛	d4⅞	5¼	+⅜
14½	8	H'cock Fab	0.32	3.4	29	273	9⅝	9¼	9½	+¼
18⅜	16	H'cock Inc	0.13	0.8	22	32	17¼	17	17	

1993 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Chng Prev. Close
10½	9	Kemper Hi x	0.90	9.6		154	9½	9⅜	9⅞	-⅛
9¾	8⅛	Kemper IEv	0.70	8.5		261	8½	8⅜	8½	+⅛
13¾	12½	Kemper Mun x	1.23	9.8		441	12⅝	d12½	12½	-⅛
13¾	12¼	Kemper Str x	0.84	6.7		50	12⅝	12½	12⅝	+⅛
42⅞	28	Kennmt	1.16	2.9586		272	39¾	38⅝	39⅝	+⅛
22⅜	18¾	Kerr G 1.7	1.70	8.1		2	21	21	21	-⅛
55	41¾	KerrMc	1.52	3.4	82	971	44⅝	44	44¼	-½
49	32⅜	KeyCp	1.24	3.6	9	1231	35¼	35	35⅛	
12¼	7¾	Keystn Con			11	3	10½	10½	10½	-⅛
29⅛	23	Keystn Int	0.72	2.8	23	1180	26⅜	25½	26	+⅜
62	44⅞	KimbCl	1.72	3.4	25	1123	50¾	49⅞	50	-½
3¼	2	Kinmlms En	0.03	1.3	11	129	2⅜	2¼	2⅜	
43¾	31¾	KngtRd			14	1961	40⅛	39¾	39¾	-⅛
65	50⅝	KnRdd	1.40	2.4	23	480	59¾	58¾	58¾	-⅛
13⅝	8	Knogo Corp	0.10	0.9	22	232	11⅝	11⅛	11½	+¼
8⅝	5⅞	Kollmorgen	0.08	1.2	6	60	6⅞	6⅝	6⅝	
18⅝	12¼	Korea Fd	0.47	2.6459		1684	u18⅝	18⅝	18⅝	-⅛
21¾	14¼	Kroger			13	2575	20½	20⅜	20½	+½
32¾	27⅝	KU Energy	1.60	5.5	13	271	28⅞	28⅝	28⅞	+¼
17¼	13¼	Kuhlman Co	0.60	4.1	52	206	14⅞	14½	14¾	-⅛
122⅞	84½	Kyocera CP	0.96	0.9	50	13	109⅝	108½	109¼	-⅜
21¾	14½	Kysor Inds	0.48	2.8	10	27	17¼	17⅛	17⅛	-⅛

- L -

1993 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Chng Prev. Close
13⅝	8¼	LA Gear			4	395	10⅜	10¼	10¼	
43⅝	33⅜	LG & E En	2.08	5.3	14	111	39⅛	39⅛	39⅜	
19¾	10¾	LSI Lg			14	1127	13¾	13½	13½	
34¾	13½	La Quinta	0.10	0.3	35	772	34	33	33	-1⅛
13¼	7⅞	LaQnta Mt	1.00	7.8125		7	12¾	12¾	12¾	
38¾	25⅛	LaZBoy	0.68	1.9	20	63	36	35¾	36	
10⅝	4¼	Lac Mnls	0.12	1.4201		5586	8⅞	8⅝	8¾	-⅛
48⅝	40	Laclede Gs	2.44	5.2	14	23	47¼	46¾	46¾	-¼
22⅝	14½	Lafarge	0.30	1.4	85	1085	22¼	21¾	22⅛	+⅜
7¼	4½	Lawson & S			3	175	4¾	4⅝	4⅝	
45¾	23¾	Lands-End	0.20	0.5	21	589	43⅝	42⅞	43⅝	+⅜
15½	12½	Lawter Int	0.40	3.0	20	289	13½	13⅛	13⅛	-⅛
17¾	14⅛	Learonal	0.52	3.3	18	6	15⅞	15⅞	15⅞	
33⅝	27	Lee Enterp	0.84	2.5	18	78	33⅝	33¼	33½	
25¾	19½	Legg Mason	0.40	1.6	8	129	24½	24¼	24¼	-⅛
47	32¾	LeggPl	0.58	1.3	22	400	43⅝	42⅝	43⅝	+1¼
36	27	Lennar Crp	0.12	0.4	17	368	33⅛	32⅛	33⅛	+⅛
12¾	2⅝	Lesley Fay			0	757	3½	3⅛	3⅛	-⅜
1⅞	½	Liberte In			0	382	u1⅞	1⅝	1⅞	
11½	10⅝	Liberty AS	1.08	9.7		189	11⅛	11	11⅛	
34¾	23¾	Liberty Cp	0.56	2.3	10	441	25⅛	24½	24⅝	-¾
33⅝	14¼	Lifetime			20	250	u33⅝	33	33	
62	43⅝	Lilly	2.42	4.2	12	3958	57⅝	56⅝	57	-⅛
30	16⅞	Limitd	0.36	2.1	14	30837	17⅜	d16⅞	17	-⅜
48¾	34⅜	Lincoln	1.64	3.8	12	762	43⅛	42¾	42¾	
21⅛	18⅜	Lincn NtFd	0.98	4.7		67	20⅞	20⅝	20½	
74	63	LnglL PB	5.00	7.0		z100	71	71	71	
71⅝	42¾	Litton			16	684	66⅝	65	66	+⅛
42⅞	18	LizClb	0.45	2.1	10	2506	21½	21¼	21⅛	-⅛
5⅝	3⅜	LLE Rty	0.50	10.2	32	722	4⅝	4½	4⅝	+⅛
72⅜	54¼	Lockhd	2.12	3.1	10	554	68⅛	68¾	68¾	+⅛
45⅝	34⅜	Loctite Co	0.80	2.1	18	109	37¾	37½	37½	-⅛
120¼	86⅞	Loews	1.00	1.1	34	8589	94	93½	93½	-⅛
30⅛	17⅞	Logicon	0.28	1.0	10	23	29	28¾	28¾	-⅛
10⅞	6¾	LomasFinCp			4	806	7¾	7⅝	7¾	
2⅞	1⅞	LoneSt			0	2075	2	1⅞	1⅞	-⅛
29⅜	28⅝	LglsU2.43	2.43	8.8		z100	28	28	27¾	
28⅛	25⅜	LglsU2.47	2.47	8.6		2	25⅝	25⅝	25⅝	
105	99	LglsU8.30	8.30	8.0		10	103⅛	103⅛	103⅛	
29⅝	23¼	LglsLt	1.78	7.4	10	2906	24⅛	23⅞	24	+⅛
37⅞	31¼	LogsDr	1.12	3.4	13	200	32½	32	32½	+⅜
23	15¾	Longview F	0.52	2.8	24	1260	20⅝	20⅛	20¼	+¼
36½	22¼	Loral	0.56	1.6	12	4690	u36⅝	35⅞	35⅞	-⅛
34	27⅜	Louis12.6	3.16	10.4		12	30⅝	30¼	30⅝	+¼
49	31	Louisl	1.00	2.5	61	526	39⅝	39⅛	39⅝	+¼

1993 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Chng Prev. Close
7	4	Nord Res			8	340	4¾	4⅛	4⅜	+⅛
71⅜	59⅜	NorfkS	1.92	2.7	19	3485	u72⅛	70⅞	71⅜	+⅜
30⅜	21⅜	Norsk Hydr	0.42	1.5	20	434	27½	27⅜	27½	+¼
8	4⅛	Nortek Inc	0.10	1.4	6	200	7⅜	7¼	7¼	+⅛
13¼	7⅝	Nth Fork	0.45	3.8	13	651	11¾	11¾	11¾	+⅛
28⅞	19⅝	N'eastFed				70	27⅜	27¼	27¼	
28⅞	22⅜	NE US	1.76	7.8	15	1898	22⅝	22⅜	22⅜	+⅛
47⅞	40⅛	NSPw	2.58	6.0	18	887	43⅜	42⅞	43	-⅛
2		Nortgate			5	321	1⅜	1⅛	1⅜	
42⅝	30⅞	Nrtrp	1.60	4.4	8	2171	37⅛	36⅜	36⅞	+⅝
33½	26⅛	Nrthw Pub	1.66	5.5	14	16	30½	30⅛	30⅛	-¼
28	20¾	Norwst	0.66	2.9	11	4430	23½	23⅛	23⅛	-½
7⅞	6¼	Nova Corp	0.24	3.6	16	5580	6⅞	6⅝	6⅝	-⅛
23⅞	11⅜	Novacare			15	2822	14⅝	14⅛	14⅛	
97	78	NovoNB	0.64	0.7	17	5	92	92	92	-1
18½	15½	Nu Ca Mun	1.05	6.4		86	16¾	16⅝	16¾	+⅛
18⅝	16⅛	Nu Ny Mun	1.14	6.4		5	17¾	17⅝	17⅝	-⅛
57¾	38	Nucor Corp	0.16	0.3	40	1218	52½	51⅞	52	-½
28⅞	23⅝	NUI Corp	1.60	6.1	15	35	26⅝	26	26⅝	
17½	9¼	Nutmeg			22	7908	17⅝	17¼	17⅜	
17⅞	15⅝	Nuv Cal	1.03	6.6		40	15⅝	15¼	15⅝	-⅛
13½	12⅛	Nuveen C I	0.77	6.0		29	12⅞	12⅞	12⅞	
14	12½	Nuveen M I	0.82	6.6		22	12⅝	d12½	12½	-⅛
17⅞	15⅜	Nuveen M Q	1.19	7.4		195	16¼	16	16	-⅛
12⅝	10⅞	Nuveen N M	0.69	6.2		35	11⅛	11	11⅛	+⅛
18¾	16⅝	Nuveen P P	1.12	6.5		36	17½	17⅜	17⅜	
17	14⅞	Nuveen P P	1.12	7.1		191	16	15¾	15¾	-⅛
18½	15⅜	Nuveen P I	1.28	7.8		313	16⅜	16⅛	16⅜	-⅛
32	21	Nymagic	0.40	1.7	15	71	24	23⅝	23⅝	-⅜
48⅞	40¼	Nynex	2.36	5.7	13	6768	42½	41¾	41¾	-⅜

- O -

1993 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Chng Prev. Close
12⅛	7	O H M Crp			63	267	10⅞	10¾	10¾	
29	10¾	Oak Inds			11	1871	13⅝	13⅛	13⅝	+½
28⅝	17⅛	Oakwood Hm	0.06	0.3	78	220	25⅝	24⅞	25	-⅜
23½	16⅞	OcciP	1.00	5.8108		4782	17⅞	17¼	17⅜	
35⅞	17⅞	OfficeDepot			58	2725	33⅜	32⅝	33	-⅛
27	21½	Ogden	1.25	5.6	16	409	22⅞	22⅛	22⅛	-⅝
24¼	14⅝	Ogden Proj			14	79	16⅜	15⅞	15⅞	-⅛
25⅝	21	OhioEd	1.50	6.8	12	1467	22⅛	21⅝	22	+⅛
65	34½	OhioE4.4	4.40	7.4		1	62½	59½	59½	
68½	55	OhioE4.56	4.56	7.3		2	63	62⅛	62½	
101	88	OhioE7.24	7.24	7.6		2	95	95	95	
101½	89¾	OhioE7.36	7.36	7.6		1	97	96⅞	96⅞	+¼
105	101	OhioE8.64	8.64	8.4		z100	102	102	103	
107	102⅛	OhioE9.12	9.12	8.7		z100	104½	104½	104½	
38⅞	32⅞	Oklah G&E	2.66	7.3	11	678	36⅝	36¼	36½	+⅜
47¾	39⅞	OlinCp	2.20	4.7	38	498	47⅞	47⅛	47⅛	-⅛
31⅝	13¾	Omnicare	0.16	0.6	37	119	29	28⅞	28½	-⅛
47½	37	Omnicom	1.24	2.9	18	276	43½	43	43½	+¼
14⅝	11	Oneida Ltd	0.48	3.6	24	13	13⅝	13½	13¾	+⅛
20¼	18	Oneok	1.08	5.5	13	389	19⅝	19½	19⅝	-⅛
30	22¼	Oppenh Cap	2.00	7.2	14	72	28⅜	27⅞	27⅞	-⅛
11⅜	10⅜	Oppenh M S	1.00	9.3		226	10⅞	10¾	10¾	
9⅛	7⅝	Oppenh Mul x	0.68	8.8		69	7⅞	7¾	7¾	
6¾	4⅞	Orange Co			500	50	6⅛	5	5	
47½	38⅝	Orange Rck	2.52	6.2	12	35	40⅝	40½	40⅝	-⅛
27½	17½	Oregon Stl	0.56	2.4	42	926	23⅞	23⅜	23¾	
2½	1¼	Orient Exp			2	2	1⅝	1⅝	1⅝	
37½	27¼	Orion Cap	0.72	2.2	9	62	32	31⅞	32	+⅛
26¼	17	OrydEn	0.40	2.4	59	6750	17⅛	d16¾	16⅞	-⅛
23¾	15¾	OshOM	0.40	2.1	2	322	19⅝	19⅜	19½	
23¾	15⅞	OvrSh	0.60	2.6	46	288	23	22⅞	22⅞	-⅛
23⅝	12½	Owens & M	0.21	1.1	22	97	19⅝	19¼	19¼	-⅜
49⅞	34½	OwensC			24	903	47⅜	47⅛	47⅛	-¼
24¾	15	Oxford Ind	0.86	2.8	13	141	23¾	23½	23⅝	

- P - Q -

1993 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Chng Prev. Close
46⅝	38¾	PHH	1.20	2.9	12	270	42⅛	41⅞	41⅞	-⅛
33¾	23½	PHM Corp	0.24	0.8	11	32	31¼	30⅞	30⅞	

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4 pm close December 15

NYSE COMPOSITE PRICES

Continued from previous page

1993 High	Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Chng Prev. Close
28	19⅞	Salant'd Sc			72	35	25⅞	25½	25⅞	-
24¾	13¼	SftyKl	0.36	2.1	26	4870	17½	16⅝	17⅜	+¾
22¾	10⅝	Safeway			23	2066	18⅞	18	18¾	+½
5¼	2	SafewayW95				66	4¼	3⅞	4⅛	+⅛
55	37½	StJoePaper	0.20	0.4	269	41	52	51	51¼	-1
37⅞	29¼	StJoeL&P	1.76	6.0	11	24	29½	29⅜	29⅜	-⅛
98	75	StPaul	2.80	3.1	14	361	90½	89½	89½	-¾
11⅞	6½	Salant Crp			6	40	6¾	d6½	6⅝	+⅛
79¼	39¾	Sallie Mae	1.40	3.3	9	3784	43	42⅛	42¾	-¼
14⅝	12⅝	Salomon Br	0.55	4.3		586	12⅞	12¾	12⅞	+⅛
51⅞	34	Salomon	0.64	1.4	11	2312	47½	46¾	46¾	-⅞
27¾	23¼	SnDgGE	1.48	6.0	13	1536	25	24¾	24¾	
5	3½	SantaFeEDo	0.40	8.2	48	16	4⅞	4⅞	4⅞	
11⅞	8⅝	SantaFeEts	1.40	15.6	300	1171	9⅛	9	9	
40¾	35¾	SantaFePac	2.80	7.1	18	59	39¾	38⅞	39¼	+⅝
22⅛	12¾	SantFeP	0.10	0.5	8	2869	21⅞	21½	21½	-½
31⅞	27	SaraLee	0.64	2.4	18	3767	27⅜	26⅝	26⅝	-½
52¼	40¼	Sciana Corp	2.74	5.6	13	6361	49	48¾	48⅝	-
25¾	19⅞	Scecorp	1.42	6.8	14	6730	21⅛	20¾	21	+¼
36⅞	23⅞	SchererRP			28	271	35⅛	34⅞	35	
72	57⅞	SchrPl	1.80	2.9	15	5085	64¼	63⅛	63⅛	-⅞
68⅞	55⅞	Schlmb	1.20	2.1	22	5410	58¼	57⅛	57⅞	-⅜
38⅞	16½	Schwab(C)	0.30	0.6	16	2102	33½	32¾	33½	+⅝
7¾	5⅝	Schwitzer			65	20	6⅛	6	6	
38⅞	17¾	SciAtl	0.12	0.4	48	932	32¼	31¾	32	+¼
14⅝	9⅛	Scotman	0.10	0.7	13	248	13⅞	13¾	13⅞	
41	31	ScottP	0.80	2.0	25	1516	40	39½	39½	
26⅛	14¼	ScudderNAsF	0.21	0.9		60	24⅞	24⅝	24⅝	-⅛
11⅛	7½	ScudderNEuF	0.16	1.6		211	10⅛	9⅞	10	
31½	16¾	SeaCoS	0.70	3.9	8	14	18	17¾	18	+¼
17	15	SeaCl.4625	1.46	9.6		7	15¼	15¼	15¼	
30⅜	24½	Seagram	0.56	2.1	34	7387	26⅞	26¼	26⅝	+⅛
32⅞	15	Seagull En			38	559	22	21⅜	21¾	-⅜
30⅝	21	Sealed Air			23	88	29¼	28½	29¼	+⅛
60⅛	42⅞	SearsR	1.60	2.9	33	5877	56⅛	55⅞	55⅞	+¼
13¾	12⅝	Seligm Sel	0.84	6.5		195	13	12⅞	13	+¼
48½	30	Sensormat	0.20	0.6	32	894	47⅞	46¾	47	
34½	19	SequaA	0.60	1.8	7	91	33	32	32¼	-1⅛
35	17¼	SequaB	0.50	1.5	17	35	32¼	32½	32½	-¾
28¼	17⅞	ServCp	0.42	1.7	20	1758	25⅛	25⅛	25¼	-⅛
31	17¼	SvMstr	0.92	3.3	15	686	27⅞	27⅝	27⅝	-⅛
48⅛	28¼	Shaw Ind	0.36	0.8	27	1771	44	43	43	+⅛

1993 High	Low	Stock	Div	Yld. %	P/ E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
19½	14⅝	TNP Enterp	1.63	9.6	31	710	17⅜	17	17	-⅛
69⅝	52½	TRW	1.88	2.9	19	1209	67⅛	65½	65½	-1½
25⅞	5¼	TZ Medcl	0.10	1.4	6	2880	7¼	6¾	7⅛	+⅛
31⅝	17⅛	Taiwan Fd				3179	u33¼	32⅛	32½	+1¾
9	3⅛	Talleyind	0.42	6.6	48	170	6½	6⅛	6⅛	-¼
14½	8½	Talley Pf	1.00	8.7		25	11⅝	11⅜	11½	-⅛
65	39½	Tmbrds	1.68	3.7	20	1559	45¼	44¾	45	-¼
16⅝	8½	Tandem			2	2871	11⅛	10¾	10¾	-¾
47⅞	24⅝	Tandy	0.60	1.3	209	2709	46¾	43⅞	46	+2⅛
13½	11¼	Taurus Mun	0.93	7.9		137	11⅞	11⅞	11⅞	+¼
25⅞	20¼	Teco Energ	0.96	4.3	17	1182	22½	22⅛	22⅜	
27⅞	20⅛	Tktrnx	0.60	2.8	11	239	21⅝	21⅜	21⅝	
5	1¼	Telecra			18	6	3	2⅞	3	+⅛
27¾	18½	Teldyn	0.80	3.0	21	768	26⅜	25⅝	26⅜	+⅝
39¾	29½	TeleEspSA	1.62	4.2	7	670	38¼	38	38¼	+⅛
62⅛	44⅞	Telmex	0.96	1.6	12	14987	60⅞	60⅛	60⅞	+⅜
52½	37¼	Temple	1.00	2.0	31	578	49⅞	49½	49½	-¼
25⅞	14⅛	TempltEmMk	0.29	1.2		828	25	24½	24⅞	-⅛
9⅛	7⅞	TempltGlob	0.72	9.1		358	8	d7⅞	7⅞	
9	7½	TempltGlFd x	0.60	7.9		2255	7¾	d7½	7⅝	
55	39⅛	Tnneco	1.60	3.2	24	2831	49⅞	49¼	49½	+¼
29½	21¾	Teppco Ptn	2.28	8.3	11	181	28	27½	27⅝	-¼
29⅝	13	Teradyne			29	1475	23½	22¾	23⅝	+⅛
11⅞	6¾	Terex	0.08	0.8	1	59	7⅜	7⅛	7¼	-¼
7⅛	3½	Terra Inds	0.08	1.3	21	1204	6⅜	6⅛	6⅛	-⅛
7¾	3	Tesoro			1	139	5¼	5¼	5¼	
69½	57⅞	Texaco	3.20	5.1	14	6404	63¼	62⅞	62½	-¼
53⅞	50¾	Texaco C	3.00	5.9		3	50⅝	d50⅝	50⅝	-⅛
29⅞	21¼	Texas Ind	0.20	0.7	89	212	29	28½	28⅝	-⅛
64¼	45⅞	TxInst	0.72	1.2	14	3826	62	60¼	61⅞	+1⅝
19⅞	16¾	Texas Pac	0.40	2.1	23	21	19⅛	19	19	-¼
49¾	41⅝	TxUtil	3.08	7.3	20	2277	42⅝	42⅜	42⅜	-⅛
11⅜	9¾	Textl Pf	1.10	11.0		12	10	d9¾	10	
9	3⅝	Textl Inds	1.10	25.1	6	182	4½	4⅛	4⅜	+⅛
66⅞	40⅞	Textrn	1.24	2.2	13	2059	57¼	56	56⅞	+¼
4¾	3¾	Thackeray			70	15	4¼	4⅛	4¼	+⅛
19⅝	10⅝	Thai Cap	0.30	1.6		352	19½	19	19¼	+⅝
31½	18⅛	Thai Fund	0.87	2.8		638	u32⅝	31½	31⅝	+½
49¼	31⅛	ThermoElec	0.12	0.3	23	1904	41¼	40½	40½	-½
26⅜	15⅜	Thiokol	0.68	2.7	8	298	25¾	25½	25⅝	-⅛
72	57½	ThBets	2.24	3.9	18	172	58⅛	d57½	57½	-⅝
14	9⅛	Thomas Ind	0.40	3.2	30	38	12⅞	12⅝	12⅝	
34¾	17⅞	Thomson Ad	2.00	6.3	13	42	32½	31⅞	31⅞	-¼
27	16⅝	Tidwtr	0.40	2.0	37	2724	20	19⅝	19¾	+⅛
35⅝	24⅛	Tiffany	0.28	0.8	27	628	34¼	34⅛	34¼	+¼

- X - Y - Z -

1993 High	Low	Stock	Div	Yld. %	P/ E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
90	69⅞	Xerox	3.00	3.4	35	4004	88⅛	87⅝	88¼	+½
55½	51½	Xerox4.125	4.12	7.7		z100	53½	53½	53½	
53	31¼	Xtra Corp	0.48	1.0	22	449	49½	49⅜	49½	-⅛
29¾	19½	Yankee Egy	1.16	4.7	14	53	25	24⅝	24⅝	-⅜
1⅝	¾	Zapata			19	257	1⅜	1¼	1⅜	+⅛
10½	5⅞	ZnthEl			2	836	7⅜	7⅛	7⅛	
29¼	19⅝	Zenith Nat	1.00	4.6	10	159	22¼	21⅞	21⅞	-½
8	6½	Zenix Inc	0.82	10.5		188	7¾	7⅝	7¾	+⅛
16⅝	12¾	Zero	0.40	2.5	20	236	16¼	15⅜	16⅛	+1
40¾	25⅜	Zurn Ind	0.88	3.3	57	113	26½	26¼	26½	
13¾	12⅝	Zweig Fund	1.20	8.8		306	u13¾	13½	13⅝	
10⅞	9⅞	Zweig Totl	0.96	8.9		357	10⅜	10⅝	10¾	+⅛

Price data supplied by Telekurs

Yearly highs and lows reflect the period from Jan 1, excluding the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration. Sales figures are unofficial.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE PRICES

4 pm close December 15

Stock	Div.	P/ E	Sls 100s	High	Low	Close	Chng
Cal Engy		17	1344	17¾	17⅜	17⅜	
Calprop		0	15				-1/16
Cambrex	0.20	13	109	19¾	19¾	19¾	
Can Marc	0.28	15	2	10½	10½	10½	
Chmbrs A	0.01	8	2565	4	4	4¼	+1/16
Chambers		8	3	4	4⅛	4⅛	+1/16

Stock	Div.	P/ E	Sls 100s	High	Low	Close	Chng
Garan	0.80	9	37	32⅞	32½	32⅞	+⅜
Giant FdA	0.70	17	569	25⅛	24⅞	25	-⅛
Glatfltr	0.70	30	107	18⅝	18⅜	18½	-⅛
Goldfield		10	77		d½	½	-1/16
Greenman		28	198	6½	6	6⅜	

Stock	Div.	P/ E	Sls 100s	High	Low	Close	Chng
MSR Expl		1	111	½	d½	½	
Nat Pmt		10	158	4⅜	4⅛	4⅜	+⅛
New Line		32	128	23⅝	23⅜	23⅝	
NY TmA	0.56	81	1185	26¾	26½	26¾	+⅛
NthCanOil	0.20	19	z100	9½	9½	9½	

Stock	Div.	P/ E	Sls 100s	High	Low	Close	Chng
Nomac O&G		82	15	6⅝	6⅝	6⅝	
NV Ryan		1	1284	7/16	⅜	⅜	
Odetics A		28	123	8	7½	8	+⅛
Olsten	0.24	50	1101	26⅛	25¾	25¾	-¼
Pegasus G	0.10	125	852	22¾	22¼	22⅝	-¼
Penil	0.80	1	15	10½	10⅜	10½	
Pet HB&P	1.88	27	4	20	19⅞	19⅞	
Westamer	0.60	19	24	27⅛	27	27⅛	
WIRET	1.12	18	251	12⅞	12⅝	12⅞	+⅛
Worthen	0.20	8	36	21¼	d20⅞	21¼	+¼
Xytronix		9	6226	9¼	6¾	9¼	+1¾

NASDAQ NATIONAL MARKET

4 pm close December 15

AMERICA

Kodak profits warning takes Dow lower

Wall Street

US stocks were recovering yesterday morning from an early slump, as the market began to firm in a delayed response to strong economic news, *writes Frank McGurty in New York*.

At 1 pm, the Dow Jones Industrial Average was 10.34 lower at 3,732.29, while the more broadly based Standard & Poor's 500 was 0.21 ahead at 463.27. In the secondary markets, the American SE composite was off 2.30 at 459.53, and the Nasdaq composite was 0.10 easier at 751.37. NYSE volume was heavy, with 187m shares traded by 1 pm.

Early in the session, the Dow was as much as 21 points lower, largely because of a heated sell-off in Eastman Kodak. After the photographic products company said that its 1994 earnings would be "quite modest", the shares dropped $6⅝, or about 10 per cent to $56⅝; the announcement led at least two Wall Street analysts to downgrade the stock.

As the morning progressed, however, the market climbed off its low as fresh evidence of US economic expansion began to generate interest in other Dow components, partially offsetting the drag created by Kodak's slide.

Caterpillar gained $1¼ to $85¾ and 3M $1⅜ to $111⅜ after the Federal Reserve issued its strongest report of the year on industrial production. It showed a 0.9 per cent increase in November, after a revised 0.8 per cent gain the previous month. Capacity utilisation also exceeded forecasts, jumping 0.6 of a percentage point to 83 per cent, the highest level since August 1989.

As the blue chips clawed their way back, the broader market inched into positive territory. Some encouragement was taken from the US Treasury market, which virtually ignored the stronger-than-expected economic data.

Confounding conventional expectations, the inflation-sensitive 30-year government issue was trading $\frac{5}{32}$ higher at 99¾ by midday, suggesting that the news had already been factored into the price.

Defence-related and aerospace issues were mostly stronger. General Electric rose $1⅛ to $103⅞, Boeing $1⅛ to $42 and Allied Signal $⅝ to $75½, but United Technologies was unchanged at $62. McDonnell Douglas gained $⅛ to $110¼ in spite of an unfavourable settlement over compensation claims related to the C-17 military aircraft programme.

In the agricultural sector, which is expected to benefit from a new General Agreement on Tariffs and Trade, Archer-Daniels added $1½ to $23¾ on news that a Clinton smog-control plan would increase the use of corn-derived ethanol.

On the Nasdaq, Brock Candy plunged $3⅛ to $8⅛. The company had warned that its second-quarter net earnings would decline by 40 to 50 per cent because of a shift to lower-margin products.

Canada

Toronto weakened at midday as profit-taking and lower commodity prices in most resource sectors weighed on the market. The TSE 300 composite index was down 15.95 to 4,228.48 at noon in heavy volume of 52.6m shares.

The precious metals index fell 59.46 to 10,760.93 as speculators continued to take profits. Franco-Nevada sank C$1 to C$92, while Gold Reserve dropped C$⅜ to C$18.

SOUTH AFRICA

Solid demand for leading arbitrage stocks pushed the overall index up 41 to a record 4,635. Industrials climbed 35 to 5,176 but golds drifted down 25 to 2,126 in line with the easier bullion price. De Beers added R2.75 at R106.

EUROPE

Schering slides on news of Hoechst group drug

Bourses recovered from their early afternoon lows, but this was ascribed to domestic and technical factors, rather than the international influences advanced earlier this week, *writes Our Markets Staff*.

FRANKFURT fell further over the official session with the DAX index 39.27 lower at 2,110.70, compared with 2,128.07 at the end of the post bourse on Tuesday. However, the Ibis-indicated DAX recovered in the afternoon to close at 2,126.82.

Mr Glen Liddy at Kleinwort Benson said that traders were squaring their positions in the afternoon, after the drop from an intraday peak of 2,187.28 on Monday, and that volume was thin by then. Over the next two days, market professionals will be seeing details of the Gatt deal, Bundesbank decisions on money supply and interest rates today, and triple witching in the futures and options market tomorrow.

Yesterday's worst drop among the blue chips looked ahead to Monday. Schering fell another DM63, or 5.9 per cent to DM1,010 after the Hoechst subsidiary, Behringwerke, called a Monday press conference on its multiple sclerosis drug, Deoxyspergualin (DSG). Less than two months ago Schering hit a high of DM1,170 on prospects for its own m.s. drug, Betaseron.

Stock market turnover rose from DM9.2bn to DM9.9bn. The drip, drip of bad news from Daimler-Benz continued with a nine-month group loss of DM2.05bn according to US accounting methods. The shares slid DM17, or 2.3 per cent to DM737.50, Mr Liddy observing that the decision to produce the new "baby" Mercedes model in Germany, rather than abroad, sat strangely with the group's cost-cutting ambitions.

PARIS showed a gentle recovery at the end of a volatile, and busy day, the CAC-40 index closing 6.13 higher at 2,162.63 after a high of 2,180.19 and a lower of 2,137.43. Turnover climbed from FFr4.82bn to an estimated FFr6bn.

Canal Plus slid FFr151 to FFr1,109, having been suspended limit-down at one point in the day. James Capel put a sell note out on the pay TV group yesterday after a late Tuesday warning from the company that 1994 earnings could be down by as much as 20 per cent.

FT-SE Actuaries Share Indices

Dec 15								THE EUROPEAN SERIES
Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Eurotrack 100	1408.72	1406.97	1405.31	1399.06	1398.17	1400.48	1405.35	1406.40
FT-SE Eurotrack 200	1475.43	1475.39	1472.95	1471.27	1468.75	1470.79	1477.91	1475.37

	Dec. 14	Dec. 13	Dec. 10	Dec. 9	Dec. 8
FT-SE Eurotrack 100	1408.64	1418.03	1415.61	1416.66	1418.22
FT-SE Eurotrack 200	1474.93	1479.60	1479.77	1482.79	1483.16

Base value 1000 (26/10/90); High/day: 100 - 1407.12; 200 - 1477.91 Low/day: 100 - 1398.78 200 - 1468.36.

Canal Plus corporate shareholders include Havas, down FFr19.60 at DM436.20, and Generale des Eaux, FFr21 lower at FFr2,707.

There were signs that the late 1993 gamble on cyclicals was being shelved for the time being and that defensive stocks were coming back into the reckoning, L'Oreal rising FFr30 to FFr1,230 and LVMH by FFr43 to FFr3,758. However, Rhone Poulenc and Institut Merieux were hit by delays in their mutual merger plans, falling FFr4.80 to FFr143.70, and FFr205 to FFr2,097.

MILAN surged in the last 45 minutes, prompting suggestions of window dressing on the last day of the December account. The Comit index added 3.23 or 0.6 per cent to 595.00, but the late rise was more clearly reflected in a 227 or 2.2 per cent advance to 10,551 in the real-time Mibtel index.

Mediobanca, the merchant bank, found strong demand, adding L540 to L14,793. Interest was also high among the telecommunications issues with Stet L88 ahead at L4,169 and Sip L54 firmer at L3,458.

Among industrials, Olivetti rose L18 to L1,971 as the post and telecommunications minister, Mr Maurizio Pagani, said that the winner of Italy's second mobile telephone franchise will be chosen by the end of April next year.

For the January account, 52 new companies join the automatic trading system, including Pirelli, Calcestruzzi and Alitalia, bringing the total traded on screen to 152.

ZURICH continued its consolidation, although low volume tended to exaggerate movements. The SMI index, 1.2 per cent lower at one stage, picked up as investors were attracted back by the lower prices to finish 17.2 or 0.6 per cent easier at 2,850.6.

Nestlé, the most active issue, shed SFr15 to SFr1,237. SMH, the watchmaker fell SFr14 or 6.2 per cent to SFr209, and bearers in Swiss Re and Winterthur by SFr28 to SFr740, and SFr23 to SFr855.

Moving in the opposite direction, BBC added SFr15 to SFr1,028 and Holderbank put on SFr10 to SFr885.

MADRID recovered from intraday lows on late futures-related buying, the general index easing 0.15 to 305.07. Banesto dropped Pta45 to Pta2,215, after a low of Pta2,125, after Standard & Poors lowered the banking group's short term rating. Volume was boosted by basket trades to Pta26.6bn.

AMSTERDAM recouped ground lost earlier in the day to finish flat. The CBS Tendency index ended unchanged at 139.3, but up from a low of 138.8.

OSLO fell 1.1 per cent with investors uncertain about the outlook, partly because the current low prices for Norway's North Sea oil make further interest rate cuts unlikely. The all-share index dropped 6.34 to 568.9 in thin turnover of NKr372m.

Norsk Hydro lost NKr4 to NKr204 while Saga Petroleum A shares dipped NKr0.5 to NKr69.5.

ISTANBUL rose another 2.4 per cent as demand for privatisation shares continued to lift the market. The composite index added 439.7 to 18,583.2 for a cumulative two day rise of 7.1 per cent.

Written and edited by William Cochrane and Michael Morgan.

ASIA PACIFIC

Six new highs registered around the Pacific Basin

Tokyo

Continuing political turmoil on the final day of the special parliamentary session kept many investors away from the market, but the Nikkei average closed higher on index-linked buying, *writes Emiko Terazono in Tokyo*.

The 225-issue index rose 180.42 to 17,489.15. The Topix index of all first section stocks edged up 1.34 to 1,452.35.

Share prices fluctuated on index-linked trading by arbitrageurs. Weakness on the Chicago futures market overnight dragged the Nikkei down to a low of 17,169.52 during the first 15 minutes of trading. Index-linked buying in the afternoon pushed the index to a high of 17,536.15 just before the close.

Volume totalled 210m shares, against 221m. Declines led rises by 522 to 464, with 175 issues unchanged. In London the ISE/Nikkei 50 index gained 11.52 at 1,207.18.

Investors were cautious as negotiations between the coalition government and the opposition parties over the extension of the parliamentary session dragged on.

Although the Liberal Democratic Party, the leading opposition party, is expected to compromise eventually, its threat to boycott talks if the parliamentary session were extended heightened public anxiety.

Mr Yasuo Ueki at Nikko Securities said that in spite of the political uncertainty, investors were banking on Mr Hosokawa's pledge last week to implement measures to help the economy, and his show of concern over a weak stock market.

High-technology issues were strong, led by Sony, which rose Y120 to Y5,490. Hitachi moved ahead Y20 to Y835 and Toshiba Y18 to Y702.

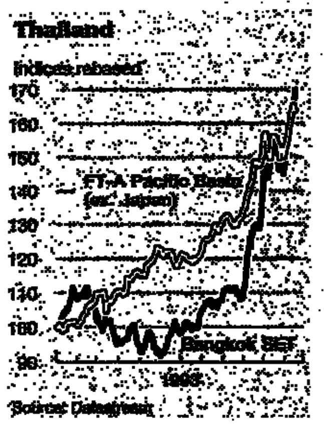
Sumitomo Metal Mining, which climbed Y47 to Y847, saw continued popularity on a rally in the gold market.

However, banks lost ground on profit-taking. Industrial Bank of Japan fell Y40 to Y2,850 and Fuji Bank Y20 to Y1,890. Brokers were also weak, with Daiwa Securities down Y40 to Y1,220.

In Osaka, the OSE average rose 23.93 to 19,225.17 in volume of 36.8m shares. High-technology issues were higher, with Nintendo, the video game maker, up Y50 at Y7,150.

Roundup

The region scored another six new highs. A potential seventh, Bombay, was officially open but brokers refused to trade for the second consecutive day to protest against a ban on carry forward deals.



BANGKOK, where there were worries about overheating in financials, still managed a 2.4 per cent advance, the SET index finishing 36.07 higher at a new peak of 1,519.06.

Turnover amounted to Bt32.03bn, second only to the record Bt36.27bn set on November 3 this year.

TAIWAN's financial sector soared and offset heavy profit-taking elsewhere, the weighted index hitting a 22-month high of 5,161.80, up 58.84.

Turnover swelled to T$129.65bn, the heaviest since June 1990. The Big Three commercial banks all closed limit up, while Cathay Life Insurance surged T$8 to T$194.

SINGAPORE saw strong domestic retail buying due to low interest rates, which pushed the Straits Times Industrial index ahead by 18.98 to a new peak of 2,271.24 in volume of 555.7m shares.

KUALA LUMPUR set its high on buying of index-linked stocks, the KLSE composite index adding 23.43 at 1,116.09.

Analysts said that expectations of a successful conclusion to world trade talks also boosted sentiment.

JAKARTA, a recent critical choice for 1994, peaked again with the official index 7.76 stronger at 543.84 on both foreign and domestic buying.

HM Sampoerna extended a strong performance, rising Rp700 to Rp12,000 on an upward earnings revision.

SEOUL fell just short of its year's high as the composite index climbed 8.66 points to 865.86 on follow-through buying in blue chip manufacturing stocks and shares with low price/earnings ratios.

HONG KONG reflected profit-taking by institutions, the Hang Seng index shedding 76.22 to end a volatile day at 9,945.26.

AUSTRALIA fell on Wall Street's weakness overnight and on declining metal prices, the All Ordinaries index closing 16.7 lower at 2,069.9.

Pakistan surges despite textiles crisis

By Farhan Bokhari

Pakistan's share prices, traditionally tied to the fortunes of the country's textile sector, have been surging ahead in spite of a crisis in this year's cotton crop.

The KSE-100 index climbed 30.45 to a third consecutive record high of 1,955.91 yesterday, for a 4.4 per cent rise so far this week, on top of the 9 per cent advance last week.

Almost a third of the 657 companies listed on the KSE are engaged in textiles and the loss of at least 15 per cent of this year's cotton crop is bound to hit the troubled sector further as higher raw material costs feed through.

The government has already stopped the export of raw cotton in the face of expected shortages at textile manufacturing factories. The cost of cotton bought by industry has risen by more than 25 per cent during the past month.

However, much of the KSE's buoyancy is still being attributed to Pakistan's newly found political stability after several months of haggling between rival leaders in their bids for power. Some analysts say the bullish trend is also due to expectations of higher profits in the financial sector, multinational corporations and industries involved in the manufacture of chemicals and pharmaceuticals.

According to Mr Nasir Bukhari, a leading Karachi stockbroker: "Pakistan's two-year-old programme of deregulation of the private sector is now expected to pay off with higher profits for industries involved in these areas."

Some investors believe that the KSE-100 index will top 2,000 before the end of the year, and that the expected launch on Wall Street of a Morgan Stanley $60m "Pakistan investment fund" will add to the bullish tone.

EMERGING MARKETS: IFC WEEKLY INVESTABLE PRICE INDICES

		Dollar terms			Local currency terms		
Market	No. of stocks	Dec 10 1993	% Change over week	% Change on Dec '92	Dec 10 1993	% Change over week	% Change on Dec '92
Latin America							
Argentina	(11)	878.10	+6.3	+51.4	538,825.61	+6.3	+51.7
Brazil	(42)	219.03	-4.4	+75.2	78,263,846.26	+2.2	+3,652.9
Chile	(20)	485.03	+0.2	+16.0	828.36	+1.3	+29.2
Colombia[1]	(8)	618.92	+7.8	+45.6	877.01	+6.3	+43.4
Mexico	(56)	931.18	+3.3	+37.7	1,251.85	+3.7	+37.9
Peru[2]	(7)	98.02	-2.7	-2.0	130.39	-2.2	+30.4
Venezuela[3]	(8)	525.01	-14.0	+1.0	1,236.97	-13.6	+32.5
East Asia							
China[4]	(16)	144.25	+10.5	+44.2	158.58	+10.5	+58.6
South Korea[5]	(130)	117.00	+9.1	+19.2	124.46	+9.2	+22.3
Philippines	(11)	262.11	+4.4	+96.3	346.06	+4.4	+114.1
Taiwan, China[6]	(76)	97.70	+1.8	+32.4	97.45	+1.6	+39.7
South Asia							
India[7]	(61)	117.92	+6.7	+25.6	130.40	+6.7	+36.6
Indonesia[8]	(31)	107.47	+0.9	+83.1	122.68	+0.9	+86.5
Malaysia	(61)	302.18	+5.4	+84.8	284.59	+5.3	+80.4
Pakistan[9]	(8)	357.21	+4.5	+78.4	485.85	+4.5	+109.6
Sri Lanka[10]	(5)	165.05	+0.9	+65.1	177.47	+0.8	+77.5
Thailand	(52)	429.82	+8.9	+86.6	434.00	+8.9	+86.1
Euro/Mid East							
Greece	(17)	233.20	+2.8	+19.4	382.75	+0.9	+34.4
Jordan	(5)	166.19	+4.0	+42.2	240.35	+4.0	+44.9
Portugal	(16)	112.48	+2.1	+45.8	133.94	+0.4	+71.8
Turkey[11]	(31)	180.53	-0.7	+170.0	1,174.27	-1.1	+337.9
Zimbabwe[12]	(5)	183.98	+2.9	n.a.	191.78	+2.4	n.a.

Indices are calculated at end-week, and weekly changes are percentage movement from the previous Friday. Base date: Dec 1988=100 except those noted which are: (1)Feb 1 1991; (2)Dec 31 1992; (3)Jan 5 1990; (4)Dec 31 1992; (5)Jan 3 1992; (6)Jan 4 1991; (7)Nov 6 1992; (8)Sep 28 1990; (9)Mar 1 1991; (10)Dec31 1992; (11)Aug4 1989; (12)July 2 1993.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Ltd., Goldman, Sachs & Co. and NatWest Securities Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	TUESDAY DECEMBER 14 1993								MONDAY DECEMBER 13 1993					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1993 High	1993 Low	Year ago (approx)
Australia (69)	158.47	-0.3	157.84	109.53	141.17	156.57	-0.5	3.29	158.91	158.07	109.44	140.87	157.43	162.83	117.39	121.79
Austria (17)	180.06	-1.5	179.34	124.46	160.40	159.98	-0.9	1.00	182.83	181.86	125.91	162.06	161.50	184.47	131.16	139.85
Belgium (42)	160.10	-0.2	159.46	110.66	142.62	141.15	-0.2	4.07	160.36	159.51	110.43	142.14	141.38	161.29	131.19	133.99
Canada (107)	132.93	-1.5	132.41	91.88	118.41	128.31	-1.2	2.61	134.93	134.21	92.92	119.59	129.90	135.71	111.41	113.01
Denmark (32)	235.84	-1.3	234.90	163.02	210.10	215.23	-1.0	1.05	238.85	237.58	164.49	211.72	217.41	241.64	185.11	199.10
Finland (23)	119.06	-2.1	118.59	82.30	106.07	144.00	-1.6	0.73	121.57	120.92	83.73	107.76	146.30	128.99	65.50	73.97
France (98)	168.38	-1.9	167.71	116.38	149.99	154.84	-1.4	3.00	171.66	170.75	118.21	152.15	157.12	173.05	142.72	144.05
Germany (60)	135.94	-1.6	135.40	93.97	121.10	121.10	-1.0	1.71	138.01	137.27	95.06	122.33	122.33	138.36	101.59	103.61
Hong Kong (55)	410.81	-1.9	409.18	283.95	365.98	407.38	-1.9	2.68	418.92	416.70	288.51	371.36	415.40	418.92	218.82	212.72
Ireland (14)	180.58	+0.1	179.86	124.82	160.87	179.88	+0.0	3.15	180.48	179.52	124.30	159.98	179.91	180.58	129.28	136.78
Italy (70)	66.94	-0.4	66.68	46.27	59.63	84.54	-0.3	1.98	67.24	66.89	46.31	59.60	84.77	78.93	53.78	61.37
Japan (469)	133.87	-1.3	133.34	92.54	119.28	92.54	-0.9	0.88	135.57	134.85	93.38	120.19	93.36	165.91	100.75	107.13
Malaysia (69)	540.65	+0.3	538.41	373.62	481.53	530.56	+0.3	1.33	539.09	536.22	371.25	477.85	529.02	540.55	251.66	259.98
Mexico (19)	2232.54	+0.2	2223.67	1543.17	1988.65	7603.53	+0.3	0.65	2228.25	2216.43	1534.58	1975.18	7581.63	2246.30	1410.30	1611.28
Netherland (26)	192.07	-1.2	191.30	132.76	171.11	168.27	-0.8	3.15	194.42	193.39	133.90	172.35	169.67	197.07	150.39	154.74
New Zealand (14)	63.94	-0.6	63.69	44.20	56.97	61.07	-0.9	3.84	64.35	64.01	44.32	57.04	61.64	68.38	40.56	41.82
Norway (23)	170.05	-1.1	169.38	117.55	151.50	171.73	-0.6	1.49	172.00	171.09	118.46	152.47	172.78	185.10	137.71	143.07
Singapore (39)	342.51	+0.1	341.15	236.75	305.12	251.59	+0.0	1.27	342.32	340.50	235.75	303.43	251.69	342.51	207.04	201.62
South Africa (60)	240.09	+0.2	239.13	165.96	213.87	235.35	+1.7	2.33	239.65	238.38	165.04	212.42	231.52	240.09	144.72	147.18
Spain (42)	135.56	-1.3	135.02	93.70	120.76	143.57	-1.3	4.18	137.38	136.65	94.61	121.77	145.44	145.24	115.23	120.73
Sweden (36)	185.22	-0.7	184.48	128.03	165.01	231.56	-0.4	1.51	186.59	185.60	128.51	165.41	232.45	208.92	149.70	166.34
Switzerland (50)	156.89	-0.2	156.26	108.45	139.78	142.54	-0.2	1.52	157.14	156.31	108.23	139.31	142.82	157.57	108.91	112.64
United Kingdom (215)	195.89	-0.3	195.12	135.39	174.49	195.12	-0.2	3.88	196.48	195.44	135.30	174.15	195.44	198.05	162.00	170.13
USA (518)	188.62	-0.5	187.87	130.38	168.04	188.62	-0.5	2.75	189.59	188.59	130.58	168.07	189.59	191.56	175.39	176.64
Europe (749)	163.22	-0.8	162.57	112.82	145.41	157.48	-0.6	2.88	164.57	163.69	113.34	145.88	158.41	165.22	133.92	134.93
Nordic (114)	179.80	-1.1	179.09	124.29	160.18	192.21	-0.7	1.29	181.74	180.78	125.17	161.10	193.57	194.54	142.13	152.26
Pacific Basin (715)	145.44	-1.2	144.86	100.53	129.56	104.13	-0.9	1.16	147.18	146.40	101.37	130.47	105.07	168.80	105.89	111.18
Euro-Pacific (1463)	152.69	-1.0	152.09	105.54	136.02	124.67	-0.8	1.92	154.27	153.46	106.24	138.75	125.62	162.86	117.26	120.78
North America (625)	185.14	-0.6	184.41	127.99	164.96	184.46	-0.5	2.74	186.18	185.19	128.24	165.06	185.49	187.68	171.51	172.70
Europe Ex. UK (533)	142.60	-1.2	142.04	98.59	127.06	135.40	-0.9	2.36	144.27	143.51	99.38	127.91	136.56	144.56	112.51	113.89
Pacific Ex. Japan (246)	255.95	-0.9	254.93	176.94	228.03	236.19	-1.0	2.51	258.19	256.82	177.84	228.89	238.47	258.19	152.70	150.88
World Ex. US (1649)	154.48	-1.0	153.86	106.79	137.62	127.79	-0.7	1.93	156.04	155.21	107.47	138.32	128.71	162.89	118.51	121.73
World Ex. UK (1952)	161.92	-0.9	161.28	111.93	144.26	142.03	-0.7	2.06	163.35	162.48	112.50	144.81	143.02	168.66	134.22	136.37
World Ex. So. Af. (2107)	164.45	-0.8	163.80	113.68	146.51	145.92	-0.7	2.24	165.82	164.94	114.21	147.00	146.90	170.46	137.29	139.36
World Ex. Japan (1698)	182.79	-0.7	182.06	126.36	162.86	179.07	-0.5	2.74	183.99	183.01	126.72	163.12	180.06	183.99	157.47	157.82
The World Index (2167)	164.88	-0.8	164.23	113.98	146.90	146.65	-0.6	2.24	166.24	165.36	114.49	147.37	147.59	170.68	137.32	139.30

Following technical problems the indices shown for December 14 were incorrect. Corrected values are shown in the table above. Constituent change with effect 16/12/93: Delete: Lau Holdings (Bearer) (Switzerland). Latest prices were unavailable for this edition.